Another West

German held

No. 30,449

Thursday January 28 1988

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World News

Italians face Italian budget in series of transport latest defeat stoppages

Italy's air, rail and ferry services face a series of strikes over the next five days which are bound to increase demands for legal regulation of public service stoppages. Page 2
Meanwhile, in Beiglum, air controllers defied a threat of court action by the Transport Ministry and staged new walkouts at Brussels international airport, causing flights to be

airport, causing flights to be cancelled, diverted and

Soviets halt N-plant Public protests in the wake of

the Chernobyl nuclear disaster halted construction of an atomic power station in Krasno-dar in the northern Caucasus, a Soviet newspaper said. Page 2

Moscow pledge.

The Kremlin will have no say in who governs post-war Afghanistan and members of the current Afghan leadership will be welcome in the Soviet Union, Mr Eduard Shevardnadze, the Soviet Foreign Minister said.

FBI accused

The Centre for Constitutional Rights, a US civil rights group, accused the FBI of violating the constitutional rights of those opposed to President Reagan's Central America policies by infiltrating protest groups and apying on activists between 1981 and 1985.

Grants for jobs

The European Commission announced a new series of grants — worth a total of Ecu616.7m (\$759m) — to help create 8,801 jobs in deprived areas of the EC.

Colombian crackdown President Virgilio Barco of Col-

ombia, spurred by the murder of Attorney-General Carlos Mauro Hoyos by cocaine amug-glers on Monday, signed an emergency anti-terrorist decree.

Palestinians detained

Israel said it had placed 129 Palestinians in administrative detention without trial since uprisings broke out in the occu-pied West Bank and Gaza Strip

N-blockade fails

Hundreds of anti-nuclear pro-testors tried unsuccessfully to blockade the lake port of Vas-teras, eastern Sweden, to stop a West German ship unloading uranium destined for conver-

Sri Lanka strike

5 60

About 10,000 doctors, nurses, dentists and government hospi-tal workers staged a one-day strike in Colombo to protest against a state decision to give degrees to graduates of a pri-vate medical school. Thatcher

Community AIDS tests New staff recruited by the European Community must take a blood test for the AIDS virus, the EC's executive Com-

Angola peace bid

Long-running US diplomatic efforts to end the civil war in Angola and bring independence to Namibia were due to resume in Luanda. Page 3

Plan for 500kmh train West Germany said it would press ahead with commercial

development of a train capable of speeds up to 500kmb.

US judge approved The US Senate Judiciary Committee voted 14-0 in favour of

federal judge Anthony Ken-nedy, President Reagan's third choice as nominee to the US

Inventive incentive

Companies

America ... Companies

Overseas ...

Britain .

World Trade

Companies

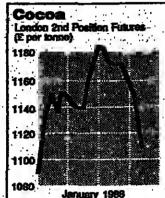
President Reagan was to ask Congress to set up a \$10m fund for cash prizes to inventors of are drawing up plans that new technologies aimed at would require issuing houses improving the quality of life, the White House said. CONTENTS:

9-14

Business Summary doubt after

ITALIAN Government's 1988 budget, which should have been passed last year, was in jeopardy after the defeat of a proposed rise in bank deposit interest rates from 25 to 30 per cent.

COCOA prices fell sharply in London, with the second posi-tion futures contract closing down £43 (\$76) at £1,108



(\$1,966) a tonne following heavy speculative liquidation in New York. Commodities, Page

WALL STREET: The Dow Jones industrial average closed down 9.45 at 1,911.14. Page 42

TOKYO: The overnight decline on Wall Street subdued inves-tors and share prices tipped downwards for the first time in five trading days. The Nikkei average ended 162.85 points lower at 23,335,91, Page 42

LONDON: Wall Street's 25point overnight fall led to London opening lower. Favourable response to the US gross national product growth figures rallied the market somewhat, but the FT-SE 100 index closed deem 2 1 at 1755 2 these 250 down 2.1 at 1765.2. Page 38

DOLLAR closed in New York at DM1.6665, FFr5.6160, SFr1.3560, V127.00. It closed in

at \$1,7840, it closed in London at \$1.7800 (\$1,7745); DM2.9750 (DM2.9750); FFr10.0250 (FFr10.0250); 8Fr2.4225 (SFr2.4150); Y227.0 (Y226.75)

Gerhard Stoltenberg, West German Finance Minister. called for closer cooperation among Western economic powers in an effort to stabilise the

US oil companies Mobil, Chev-ron and Shell Oil followed Exxon in reporting increased profits in the fourth quarter, and Texaco forecast gains of \$626m. Page 19

WIM Duisenberg, President of De Nederlandsche Bank, Dutch central bank, called for all European countries to orient their exchange rates more closely to the European Mone-tary System. Page 2

EUROPEAN Commission is to pay Ecu3m (\$2.4m) compensa-tion to Spanish and Portuguese fishermen affected by a delay in a new fishing agreement between Morocco and the Euro-

pean Community. Page 2 Pacific Basin countries will see growth in gross domestic product fall from last year's 12 per cent to 8 per cent in 1988, still more than treble that projected for the Organisation for Economic Cooperation and Development area. Bests 2 opment area. Page 3

JAPAN is planning to extend its voluntary restraints on automobile exports to the US for another year. Page 4

AMERICAN Telephone & Telegraph, US long-distance carrier, reported profits of \$498m in the fourth quarter against losses of \$1.17bn a year earlier. Page 19

TNT, Australian international transport group, iaunched a A\$170m (US\$121.6m) bid for Cumberland Credit. Page 20

US growth fears rise as consumer demand slackens

ries, leading markets to expect showed an unexpected small a fall in production.

The inventory correction non-durables, the main factor could reduce growth in the first in the markets' reaction.

half of 1988 to about 1 per cant manufacturing inventories at an annual rate, according to market forecasts, sustained dismissed as "not worrisome" almost entirely by buoyant by Mr Robert Ortner, Undergrowth of Commerce for Forestray f

almost entirely by buoyant merchandise exports.

Strong exports and weak domestic demand also imply a sharp improvement in the US trade balance. Traders expect that the combination of a strong external picture and weak domestic demand will sustain the dollar in the exchange markets and leave room for the Federal Reserve to ease monetary policy, as some members of the Cabinet have been urging.

by Mr Robert Ortner, Under-Secretary of Commerce for Economic Affairs. Manufacturing output is rising strongly, especially in the aircraft industry, which has long lead times. The figures, which are subject to often substantial revision, may overstate the change in trend in two respects.

The real level of retail sales may be understated. The figures are based on cash sales, which were little changed from 1986, corrected for the rise in

expected figure of 2.7 per cent for inflation in the quarter, the figures gave strong impetus to ing weak sales, were discount-

BOND MARKETS rallied strongly in the US yesterday on the expectation of falling bond prices closed nearly 2 the expectation of falling points higher, yielding 8.54 per growth, as figures for last cent, the iowest level since year's fourth quarter showed unexpectedly weak consumer demand.

Although the preliminary 4.2 per cent growth figure constituted a larger than expected increase, retail sales were far below output, a result of the sharpest quarterly fall in real consumer spending since 1980. This has produced a sharp rise in wholesale and retail inventories, leading markets to expect a fall in production.

The inventory correction mon-durables, the main factor in the inventory correction to the figures are producted and retail inventories. Leading markets to expect the inventory correction to the figures are production.

The inventory correction to the figures industrial average industrial average cutbacks have already been announced, the figures also for a rise of \$18.5bm in purchases of farm products by the fall in consumer purchases of Commodity Credit Corporation.

rging. 1986, corrected for the rise in Combined with a lower-than-prices. The deflator used may

sales season.

Car sales have also recovered strongly in the second 10-day reporting period in 1988, and the latest industry forecasts suggest only a modest fall in sales for the year es a whole from the 1987 level.

On the other hand the fall in final demand would have been much sharper had it not been for a rise of \$18.5bm in purchases of farm products by the Commodity Credit Corporation. If this official stockpiling were included, the rise in inventories included, the rise in inventories would be more than \$76bn, nearly twice as large as the reported \$39.2bn rise in real

output.
The most positive feature of the figures is the rise of \$7.7bn in real merchandise exports. This means that real export growth during the quarter was at an estimated annual rate of 19.7 per cent, even faster than the published cash figures

suggested earlier.
Mr Ortner forecast that export growth, and rising capital investment, would still support continued real growth in the US economy in 1988,

Ireland sets tough budget to end a 'cycle of debt'

Mr MacSharry has increased up nine pence to IS2.62 per gal-lon and the price of 20 ciga-reties up four pence to IS1.95.

The additional revenue will be used to give some relief to the country's heavily taxed Pay As You Earn (PAYE) workers— those whose employers deduct taxes from their salaries—who will have total tax reductions of IS91m in the coming year.
But Mr MacSharry ruled out any pay increases for the country's top civil servants, including members of parliament and said that this year alone, another 9,000 jobs in the public sector would be lost.

ector would be lost. The tax net has been wid-

ened, with farmers and the self-employed paying pay-re-lated social welfare contribu-



Ray MacSharry: strong mea-

initial rate of 3 per cent.

Mr MacSharry promised strong measures against tax sued till the 1990s, a course of dodgers and announced the phasing in of a self-assessment poll of Irish economists.

There were some increases in this year will be 1\$1,125m ayments to the 20 per cent of (\$712m), its lowest level for ated social welfare contribu- payments to the 20 per cent of (011211), is done for the first time, at an Ireland's population who are some years.

unemployed, with increases in assistance to the long-term amemployed going up by more than II per cent. Mr MacSharry reduced some of the special allowances sur-

rounding corporation tax, though leaving the 10 per cent basic rate for manufacturing and reducing the standard cor-poration tax rate from 50 to 43

per cent.
Dividends earned by Irish companies overseas would in future be repatriated free of

Mr MacSharry said that the Government, since coming to power last February, had made great headway in restoring con-fidence, but added that every-one had to continue to make sacrifices if the Irish debt, now more than I\$24bn, was to be stabilised.

The current budget deficit for

Black & Decker in \$1.75bn bid for American Standard

BLACK & DECKER, the international manufacturer of power tools and household equipment, yesterday launched a \$1.75bn takeover bid for American Standard, a leading US maker of plumbing and other building products.

US housing starts fell more than 16 per cent in December as buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding buyers and builds became further rebuilding to do of its buyers and builds buyers and builds became further rebuilding to do of its buyers and builds became further rebuilding buyers and builds became further rebuilding to do of its buyers. yesterday isanches a \$1.755a takeover bid for American Standard, a leading US maker of plumbing and other building products.

Wall Street responded eagerly to the \$58-a-share cash bid, driving up American Standard's shares by \$19% to \$57% in hec-Analysts estimated that US-

based Black & Decker, or a counter-bidder, might have to pay closer to \$65 a share to capture the assets of the group. Black & Decker shares fell 14 to \$194, reflecting concern that the company might be making itself doubly vulnerable to cycles in the construction industry by adding American Standard's building products to its power tools business.

Mr Nolan Archibald, Black & Decker's chairman, said in a let-ter to American Standard: Japan, its main international power tool competitors. Either "Both our companies are major international marketers and manufacturers. We believe the combined company would be a highly competitive consumer and commercial products com-

The bid was also interpreted as a defence move by Black & Decker. In recent years it has turned round its power tool business through aggressive restructuring and has expanded its product line.

Manhattan was confident it can organise a \$2bn syndicated loan for the takeover. The borrow-

power tool competitors. Either would benefit substentially from marketing in the US under the well-known Black & Decker brand.
Black & Decker said Chase

The bid was also interpreted as a defence move by Black & ing would make its balance sheet highly geared and even less palatable to raiders. In the first quarter the compestructuring and has expanded its product line.

However, it is still manufacturing well below its capacity

The bid was also interpreted for the takeover. The borrow-ing would make its balance sheet highly geared and even less palatable to raiders. In its first quarter the company had net profits of \$31.1m, or 53 cents a share, against \$22.4m, or 38 cents, a year earlier, on sales of \$612.2m against \$529m.



PRESIDENT OR PRISONER OF A

DUVALIER INHERITANCE

Mr Leslie Manigat, political science professor, becomes Haiti's first elected president in 30 years, Page 4.

Czechoslovakia: Convincing a sceptical nation of an optimistic future. Defence: Big changes face Israel's aircraft Editorial comment: Adjustment in the

US; Ford looks to the future .. Violence in Natal: Brutal fight for The US currency: Guessing the dollar's Lex: United States' GNP; Ferranti; US takeovers; retail lending

Regional development in the UK: Eight-page sur vey ...

Kohl likely to visit East **Berlin**

MR HELMUT KOHL, the West German Chancellor, is likely to travel to East Berlin during an official trip to East Germany, returning the visit made to the Federal Republic last autumn by Mr Erich Honecker, the East German

The venue of Mr Kohl's visit is a sensitive issue for East-West German relations. Bonn argues that East Germany is a separate state, but not a dite a Lebanese hijack support to the US because of fears for hostages.

Reitigh Foreign Office lin as capital of the German Democratic Republic. The decision in principle of

the Chancellor to go to East Berlin is bound to be inter-preted by the East Germans as one more sign of the sepa-rate nature of the two states. However, a senior West Ger-man official said this had no consequences for recognition or for the status of Berlin, which is still under the sovereign control of the US, the Soviet Union, Britain and

France.

The timing of the trip is uncertain. An official visit to the bead of East Germany may not take place until next year because Bonn wishes to avoid burdening the dialogue between the two leaders with exaggerated expectations.

Doliceman, who rushed to they were Syrian security men. If they were Syrian s

Bonn's caution over the timing of the trip reflects the West German view that some turbulence may be inevitable in East-West German relations, in spite of the long-term path of rapprochement mapped ont after Mr.

Only a smattering of German. The Foreign Office's suspiners of the third West German by the statement in the Dussel-the streets of predominantly dorf courtroom by Mr Wolfgang Schaeuble, Chancellery Ministrons, in spite of the long-term path of rapprochement mapped ont after Mr.

Cordes and Mr Alfred Schmidt, threats to kill Mr Cordes and a technician for the Siemens Mr Schmidt compelled Bonn to Honecker's trip last Septem-

eet jailing of dissidents in East Berlin, and has also voiced irritation about East Germany's publication, basically for propaganda par-posee, of a letter Mr

Bonn has criticised the lat-

New era, Page 2 Continued on Page 18

in Lebanon BY NORA BOUSTANY IN BEIRUT AND ANDREW FISHER IN FRANKFURT WEST GERMANY'S political Lebanese brothers, Mr problems over hostages in Bei-rut deepened significantly yes-terday after kidnappers Mohammed Ali Hamadei was west German's political Lebanese Drothers, Mr mohammed Ali Hamadei and Mr and the deepened significantly yesterday after kidnappers grabbed a German national in the heart of Syrian-controlled West Belrut. The kidnapping yesterday brings the number of German captives back up to two. Mr Hans-Dietrich Genscher.

help. At the same time, Britain asked for an explanation of remarks made by a senior Ger-man official which suggested a separate state, but not a that Bonn had refused to extra-foreign country, and bas dite a Lebanese bijack suspect

The British Foreign Office implied that the statement, made on Tuesday in a court trying another Lebanese terrorist suspect, did not square with a European Community commit-ment not to make concessions under duress to terrorists or their sponsors.

ing of the trip reflects the was the third West German to be seized at gunpoint in the streets of predominantly moslem West Belrut.

The others, kidnamued in the streets of the streets o

company, who was subse-quently released amid sugges-extradition of Mohammed Ali

two.

Mr Hans-Dietrich Genscher, the West German Foreign Minister, held a long-planned meeting with his Iranian counterpart, Mr Ali Akbar Velayati, at Frankfurt airport yesterday following the kidnapping of Mr Ralph Schray, a Lebanese-born industrial engineer with a German passport,

Mr Genscher pressed the Iranian minister to use his influence to obtain the release of Mr Schray and the other German still in captivity, Mr Rudolf Cordes, an employee of the Hoechst chemical group. Mr Velayati promised to try to help.

At the same time Pritain of a TwA arriner, during which a US Navy diver was shot.

Abbas Hamadel, who was arrested a few days later for carrying explosives, is on trial in Dusseldorf. He has been accused of organising the kidnappings of Mr Cordes and Mr Schmidt.

One report yesterday suggested that the kidnapping had been ordered by another member of the Hamadel family, Abdel Hadi, an official of the Iranian-backed Hizbollah (Party of God), in order to step up pressure for the release of his brothers.

There have been persistent suggestions that Bonn has been arrested a few days later for carrying explosives, is on trial in Dusseldorf. He has been accused of organising the kidnappings of Mr Cordes and Mr Schmidt.

One report yesterday suggested that the kidnapping had been ordered by another member of the Hamadel, more than the release of Mr Schmidt.

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suggestions that Bonn has been involved in, or at least tolerated, negotiations for the release of its hostages.

Mr Schmidt's release on Sep-tember 7 is reported to have followed laborious talks through go-betweens in touch with the hostage takers and the West German Government.

Similarly, it is believed in Beirut that the announcement late last year that Abbas Hamadei would face a trial came after a deal for his release fall

deal for his release fell through. The deal had also involved Mr Cordes and the American hostage Mr Terry The kidnapping yesterday Anderson. This is believed to have followed Iran's presentation to Bonn of what were considered unacceptable demands, including requests for weapons, money and further political concessions.

tions of ransom payments.

There were no immediate claims of responsibility of yesterday's kidnapping, the first involving a foreigner in Beirut for more than six months, but it seems likely it was related, like the other two, to the imprisonment in West Germany of two restriction of montanance rank Hamadei.

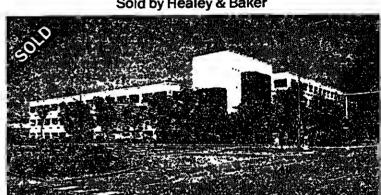
Yesterday's kidnapping casued a stir in the courtroom. The trial judge said: "If the same circle of people are involved, things could get difficult and the opposite of what had been possible could now occur."

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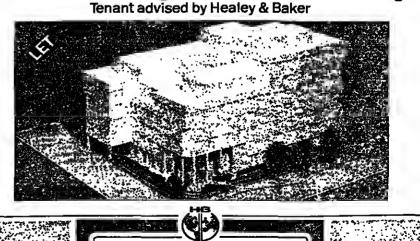
Healey & Baker International Property Consultants Netherlands

ment in West Germany of two occur.'

SOLD 7500m2 Office Building · Zonnestein/Amstelveen Sold by Healey & Baker



LET 4500m2 Office Building · L. van Nieuw – Cost Indïe/The Hague



· JERSEY · LONDON · NEW YORK · PARIS

MR GERHARD Stoltenberg, the West German Finance Minister, will travel to Washington next week for talks with Mr James Baker, the US Treasury Secretary and Mr Alan Greenspan, chairman of the Federal

Bonn officials denied that any currency or economic ini-tiatives were expected from the meetings. A major reason for meetings. A major reason for Mr Stoltenberg's visit is to dis-cuss the annual meeting of the International Monetary Fund in Berlin this September. He will also meet Mr Michel Camdes-

also meet Mr Michel Camdessus, executive director of the IMF and Mr Bsrber Conable, president of the World Bank.
The visit, from February 2 to 5, comes at a time of relative calm on foreign exchange markets, with the dollar having recovered from its end-1987 lows against the D-Mark. Yesterday, Mr Stoltenberg said the statement by the Group of Seven leading industrial countries in December had amphatries in December had ampha-sised that they were prepared to work together to promote stable currency rates.

He said the dollar's further drop at the end of last year had caused expectations of weaker growth for most industrialised countries. But the outlook for continued price stability had improved, especially in Ger-

Mr Stoltenberg defended the Bundesbank against criticisms that it had not done enough to avoid tensions in the European Monetary System. Mr Karl Otto Poehl, president of the Bundes-bank, has already rebutted French criticisms of the central bank's intervention policies in the EMS.

man economic and financial council, signed into existence on Friday, Mr Stoltenberg said this would not limit the inde-pendence of the Bundesbank. Mr Poehl will be a member of the council, but the Bundesbank has made its approval of this conditional on a study of the legal implications of the council's formation to ensure it does not threaten the central bank's legal autonomy.

in protest at the terms of a pay deal signed last year. To com-plete the confusion, the unions themselves have called Sun-

Government interventions on the air and rail fronts have

come to nothing and ministers are oow moving towards legis-lation which would try to guar-antee essential public services against strike action.

The union reaction to this

Soviet nuclear

plant scrapped

after protests

By Charles Rodgson in Moscow

THE SOVIET UNION has aban-

doned construction of a nuclear

power plant following protests

from local residents concerned

about safety in the wake of the Chernobyl disaster two years

ago.

The decision, reported by the

youth newspaper Konsomol-skaya Pravda yesterday, is understood to be the first time that the Soviet authorities have

cited public concern about nuclear safety as the reason for

The newspaper said that the authorities had decided to scrap the plant, being built at Krasnodar in the northern Cau-

casus, after letters of complaint by local residents and opposi-tion by the regional govern-ment. Some 25m roubles had already been spent on the proj-

ect.
The Soviet Union has already

construction of nuclear plants

with graphite-core reactors, similar to that at Chernobyl, where 31 people were killed in the world's worst nuclear disaster in April 1986.

of the century. Following the Chernobyl disaster, the Soviet Union called for wider

exchanges of Information on nuclear power and for interna-

tional co-operation in dsveloping aew and safer reactor

improper experiments, not on nuclear technology itself.

Earlier this month, the

announced that it will cease

strong end

Italian strikes bring calls for legal curbs

BY JOHN WYLES IN ROME

ITALY'S air, rail and ferry services face a series of strikes over the next five days which are bound to increase demands for legal regulation of public day's rail stoppage in a dispute service stoppages.

Air services will be hit today year's agreement.

and tomorrow by further stop-pages of Alitalia ground staff in support of pay demands. Little normality will be restored before pilots strike on Saturday and Sunday in protest at Alitalia's decision to return the ATR 42 aircraft to service following

a crash three months ago. Train drivers will strike for 24 hours from tomorrow afternoon, a day later guards and ticket collectors will stop and on Sunday all railway workers will stay at home. At the same time, ferry services from west

ers. The three confederations aupport the rank and file stand In Alltalla, while condemning the resort to stoppages without Labour, the Socialist Rino Forthe 15 days prior notice mica, feel under pressure to be required by the unions. seen to be doing something, and

The railway drivers, mean-proposing a law which may while, are in conflict with their never reach the statute book is unions, which many have quit better than nothing.

Open meeting in Moscow on human rights

By Charles Hodgson in Moscow SOVIET officials and dissidents yesterday held an unprece-dented open meeting in Moscow with an International delega-

tion to discuss human rights in the Soviet Union. The meeting, between a delegation from the International Helsinki Federation for Human

Rights and members of the offi-cial Soviet Human Rights Commission, was held at the Vien-ma-based federation's request and attended by about 50 dissi-dents and Jewish refuseniks. Mr Lev Timofeyev, a former political prisoner and head of

an nnofficial human rights group, told the meeting there could be no successful defence of human rights in the Soviet Union without freedom of public opinion.

He called for closer co-opera-

tion between official and unof-

ficial groups. Mr Fyodor Buristsky, chairman of the Soviet commission, had tried to prevent Mr Timofeyev speaking because he was not an official delegate, but relented after appeals from the international delegation and protests from the floor.

protests from the floor.

Mr Timofeyev presented Mr
Burlatsky with a copy of the
list of about 200 political prisoners in the Soviet Union which was handed to Mr Mikhail Gorbachev by Dr Andrel Sakharov the dissident physicist earlier this month

Be also geve Mr Buriatsky a series of resolutions calling for greater press and religious free-dom passed by an unofficial human rights seminar attended by about 400 dissidents last

The week-long visit by the Helsinki Federation delegation is the first by a group critical of the Soviet Union's human

rights record.
The 19 delegates from eight countries are due to hold further meetings with Soviet officials, human rights groups and political prisoners before leaving at the weekend.

had cost 4bn roubles and that Mr Timofeyev said later that the meeting, the first time that production losses as a result of the accident had been twice Soviet officials and dissidents had sat at the same table, repthat amount. Radiation levels wider public understanding of human rights problems in the Soviet Union."

Dutch central bank chief calls for European monetary harmony

rates more closely to the European Monetary System.

MR WIM DUISENBERG, president of De Nederlandsche Bank, the Dutch central bank, yesterday urged all European coun-tries to orient their exchange exchange rate reference points. "A more formalised exchange rate system in Europe, based on He told a European Free
Trade Association seminar in Geneva that attuning currency policies would provide protection against erratic dollar movements and offer a policy forum.

He said snch co-operation could be compared to the "snake" joint currency float of the 1970s in which EMS members were joined by Norway

Trade Association seminar in reciprocal obligations, may giva reise to political problems, but it can also bring substantial benefits, economically and politically. Mr Duisenberg said. "By fostering internal discipline, such a system may enhance domestic stability. At the same time it would place Europe in a better position to collaborate with the US in stabilising the dollar rate."

Mr Duisenberg, who is also president of the Bank for Inter-national Settlements, simed his remarks at Efta members and the UK. Britain has often been urged by the Netherlands to bring sterling into the exchange rate mechanism of the EMS.

rate mechanism of the EMS.

Mr Duisenberg's plea for greater monetary hermony comes at a time when France and West Germany are exploring new avenues of co-operation through a bilateral economic and financial council. Mr Edouard Balladur, France's Einance Minister is advancing Finance Minister, is advancing arguments for a European central bank, which the Dutch see

as possible only after countries have more closely aligned their

budgetary policies.

Meanwhile, it is understood that monetary policy co-ordina-tion between the Netherlands tion between the Netherlands and Germany remains as close as ever despite a rash of Dutch discount rate cuts without parallel moves in Germany. The persistently strong guilder, however, has brought narrower interest rate differentials. Germany's planned withholding tax on interest income, widentax on interest income, widen-ing budget deficit and uncer-tainty over monetary policy are blamed for eroding the mark in relation to the guilder. Guilder

levels about equal to German capital market rates and closer

to money market rates. What De Nederlandsche bank What De Nederlandsche bank wants to evold, it is understood, is an "Interest rate euphoria". It is felt that Dutch money market rates should ease slowly so that the guilder-mark exchange rate, the most significant one for the Netherlands, reaches a sustainable equilibrium. reaches a sustainable equilib-

firmness has provided room for Dutch interest rates to fall to levels about equal to German collateral, is being lowered to 7 per cent from 7.25 per cent. The cuts are the first since The cuts are the first since December 4 and follow four reductions in short-term rates this month. On Tuesday. Belglum's key three-month Treasury Bill rate was cut by 0.10 points to 6.35 per cent.

The Belgian central bank said the easing in key Belgian interest rates reflected the stability of the Belgian franc against the

est rates renected the Stability of the Belgian franc against the major European currencies and followed interest rate cuts in other countries. The Dutch dis-• Belgium yesterday cut its discount rate to 6.75 per cent from 7 per cent, Agencies report.

The Lombard rate, charged on other countries. The Dutch discount rate was cut on Friday.

Kohl sees new era in Prague relations

MR HELMUT KOHL, the West German Chancellar, yesterday hailed the opening of "a new chapter" in West German-Czech relations and said he thought the Pragae leadership agreed the necessity far political and ecanomic

Mr Kohl's two-day visit to Prague ended yesterday with a meeting with Mr Milos Jakes, the new Czech Communist Party leader. Earlier there were talks between members of the Boan delegation and the Charter 77 dissidents' move-

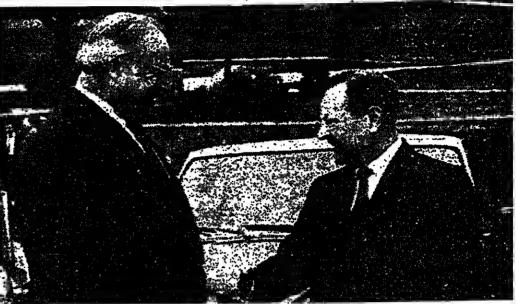
The twa sides did not annanace any break-throughs but agreed to hold further talks at expert level on a list of bilateral questions. These included dis-cussions on easing border restrictions, environmental technology, cultural co-op-eratiaa, yonth travel exchaagea and human

Kohl caid West Germany and Czechoslovakia had ground to make up in show-ing that members of Nato and the Warsaw Pact could use the current East-West deteate to improve rela-

He also pledged that Bona would make efforts to bring nearer a formal economic accord between the Euro-pean Community and Comecon, where negotiations have recently run into diffi-

culties.
A breakfast meeting yesterday between top German officials and a small group from Charter 77 underlined a slight thaw by the Czech autharities towards the dis

sidents.
The Charter 77 representatives, led by Mr Milos Hayek, the group's current apokesman, talked for 40 minutes in the flat of a West German Embassy afficial with Mr Volker Euche, deputy leader of the conser-



Chancellor Kohl towers over Mr Jakes at their meeting yesterday

vative parliamentary group-ing in Bonn, and Mr Horst Teltschik, Mr Kohl's chief foreign policy adviser. Mr Ruche said afterwards that such a meeting would have been impossible four

or five years ago . Mr Jan Urban, a Charter activist, speaking in his flat last night, however voiced cantion about the Prague leadership'e recent slight easing of restrictions on the movement.

"I agree it's progress, but it's so slight," he said. As an example he said he had been held in custody during a round-up of dissidents 10 days ago for only 12 hours.

Leslie Colitt reports on a communist party's battle to counter massive indifference

Prague's year of fateful anniversaries

possibility, first muted by Mr Giovanni Goria, the Prime Min-lster, last October, is divided. FACED WITH a series of momentous anniversaries in Czechoslovakia, the new party leader, Mr Milos Jakes, is The three confederations have employed distinguished lawyers trying to convince a deeply sceptical to draft an impressive looking, nation that its recent history gives

but vague, code of conduct which the two largest of the try's future.

The herculean task was not made the try in the try time, ferry services from west coast ports to the Italian islands look likely to be stopped by a three-day sailors' strike.

This is the worst combination of strikes since transport unrest surfaced last autumn. Except in the case of the pilots, the company thread is nay rates which the two largest of the three confederations want to apply in collective agreements without the backing of the law. The herculean task was not made easier by Mr Lubomir Strougal, the Prime Minister. In a rare example of open dissent at the highest party level, Mr Strougal last week criticised early 1960s for "failing" to carry out the company thread is nay rates. the common thread is pay rates initiative of last autumn. Some union leaders question ments negotiated by union lead whether the government is interview with West German journalists reflected his long-felt legislation. None the less, Mr Goria and his Minister for frustrations as a would-be reformer. Earlier this month, Mr Alexander Dubcek jolted the party with remarks timed to commemorate the "January plenum" which elected him as party leader in January 1968. In an interview with the Italian Communist newspaper, L'Unita, he welcomed the reform programme of the Soviet leader, Mr Mikhail Gorbachev, comparing it with his own "Prague Spring" of 1968.

Mr Jakes, just back from his first meeting as the general secretary of the Communist Party with Mr Gorbachev, counter-attacked. He dismissed Mr Dubcek's assertion without deigning to name him. The official media, too, refrained from personal attacks on Mr Dubcek but made it plain that he and his supporters remain poiltical pariahs in Czechoslovakia.

After succeeding Mr Gustav Husak
as party leader last December, Mr

Bulgarian leaders seek

THE National Conference of the Bulgarian Communist Party root and ordinary Bulgarians as opens today in Sofia amid lncreasing signs that the seem confused about the real

opens today in Sofiz amid well as factory managers stil increasing signs that the seem confused about the rea authorities want to slow down aims and scope of the reforms.

to cool pace of reform

Jakes is girding himself ideologically for the landmark anniversaries of events which convulsed modern Czechoslovakia and altered the course of

European history. Next month the party will celebrate one of the most momentous of brate one of the most momentous of them all: the 40th anniversary of the Communist takeover in Czechoslovakia. The "Prague coup" of 1948 set alarm bells ringing in the West and ultimately led to Nato's formation a year later. Much less fanfare is expected in Prague when the leader, the 20th anniversary of ship marks the 20th anniversary of: the occupation of Mr Dubcek's Cze-choslovakia by Soviet-led Warsaw Pact forces on August 21. But still sensitive to these searing "August events", the leadership is wary of holding a large-scale commemoration. A welcome respite for the party

will be the September observance of the 50th anniversary of the Munich agreement, which stripped Czechoslo-vakia of the Sudetenland and led to Hitler's dismemberment of the nation a few months later. Finally, in October, the leadership hopes to channel the jaded emotions of the populace into celebrating the emergence of modern Czechoslovalda in 1918 out of the remnants of the Austro-Hungarian empire.

A revealing insight into the party's deepest concerns about this year of anniversaries was given by Mr Jan Fojtik, a prominent central committee secretary responsible for domestie "propaganda". A Hungarian television interviewer pointedly asked him

ing a team of journalists out to the provinces that people were still ignorant of the point of the reforms.

Mr Yotov, who in early 1957 was replaced as editor in chief af Rabotnichesko Delo, the party newspaper, said that the restriction of its external debt, so that debt servicing is reduced to no more than 25 per cent of foreign exchange inflow, and also for some new loans. Mr Giulio Andreotti, the Italian Foreign Minister, recently said Italy had been striving to help Yugosla-

what lay in store for Czechoslovakia this year. The reporter and it appeared that years with "eight" in them had a "special significance" in Czechoslovak history.

Mr Fojtik snapped disapprovingly that this was "some kind of more!

that this was "some kind of mysti-cism with numbers." He preferred to rely on "rational, thinking people" and did not like to make forecasts. Besides, he noted, the party had out. death is that he suffered from severe lined its plans for 1988 and beyond depression after right-wing attacks. Nonetheless, the leadership is take on him. It was these which had led to ingles precautions. The tiny but wor has suicide.

risome Charter IT first rights move in fact, the communist victory in ment is being kept under the tightest staged by Moscow. Alded by the party is attempting to repair some of the damage wrought to the national consciousness in the past forty years.

In time for the 70th anniversary of Czechoslovakia's founding next Octo-ber, the party has revived the menories of Mr Tomas G Masaryk, the first president, and his son, Jan. As Foreign Minister, Mr Jan Masaryk died in a mysterious fall from a window of the Foreign Ministry two weeks after the communist takeover. unique sura surrounds the name Masaryk in Czechoslovakia, particu-larly as both men became non-per-

The official party newspaper, Rude Pravo, recently admitted that Mr Tomas Masaryk had been politically "progressive" while he had criticised the Russian Revolution. But the elder Masaryk's western-oriented foreign policy "failed totally," the newspaper asserted, and led to the tragedy of

Munich. Only the Communist Party of Czechoslovakia drew the right lessons from Munich and led an anti-Fascist resistance movement which culminated in the events of 1948."

Mr Jan Masaryk, too, was briefly resurrected in the official media, which praised his joining the new communist-led government in Febru-ary 1948. The party's very covered death is that he suffered from savere

trauma of Munich and the Soviet lib-eration of most of Czechoslovakia in 1945, millions of non-communists in Czechoslovakia voted for the party in the 1946 elections. The commun gained 40 per cent of the vote in the Czech lands and became the strongest political force. This was attested to by hundreds of thousands of enthusiastic Prague residents, who cheered Mr Klement Gottwald, the first communist leader, when he addressed them 40 years ago, on Wenceslaus

But under Gottwald's Stalinist rule popular support had waned by 1951 and, with the exception of 1968. never returned. The new Prague leadership is fully aware of this dilemma. In a year of fateful Czecho-slovak anniversaries, the party is confroated with massive lack of interest among Czeehslovaks in nearly all of them.

East Germany displays

AN EAST GERMAN activist, years jail.
one of 10 detained in a crack- Security

down on dissent, went on trial yesterday as the Communist

state's press printed unusually critical reports about West Ger-

many, Reater reports from
East Berlin.
In what Western diplomats
regarded as a related evant
indicating a general sharpening
of tone, East German border

guards shot at people escaping to the West for the first time in

months. It was widely thought East Germany bad suspended its "shoot to kill" policy at the

tougher attitude to West

US fighter jets 'vital to security'

DEFENCE Ministers from Britain and Italy, discussing the planned removal of 72 Ameri-can F-16s from Spain, said their presence was vital to Mediter-ranean security, AP reports

from Rome.
Comiso in Sicily has been suggested as a possible new base for the jets, which are now at Torrejon air base outside Madrid.

Uader the US-Soviet accord on medium-range nuclear mis-siles, Comiso's Cruise missiles, which are part of Nato's force in Western Europe, would be

dismantled. Italian officials have insisted that no decision has yet been made to move the missiles to

Yesterday, Mr Antonio La Pergola, Italy's Minister for Enropean Community Rela-tions, met Comiso officials to reiterate Rome's stance.
Italy'a Defence Minister, Mr
Valerio Zanone, appearing at a
news conference with his Brit-

ish counterpart, Mr George Younger, said of their meeting: "I never spoke about Comiso." He added: "However the ques-tion ends up, these airplanes require infrastructure of nota-ble complexity from the logis-tics point of view as well as taking into consideration the personnel needed and their

Both defence ministers indi-cated that they would want to see the F-16s stay in Europe after their removal from Spain in three years, if the agreement

is approved.
"It would be disastrous if they proceed to dismantle a group of aircraft so important for the defence of the southern flank of the Atlantic Alliance, Mr Zanone said.

. The issue will be taken up next week in Rome when Mr Frank Carlucci, US Defence Secretary, arrives for talks.
Last week an Italian newspaper reported that the US was Italy in return for an Italian

Italy in return for an Italian pullout from a West European plan to build a fighter jet.

Mr Zanone, who has denied that Italy is considering dropping out of the plan to construct the jet along with Britain, West Germany and Spain, said he and Mr Younger discussed the need to spend less on research and development of the aircraft. the aircraft.

Western Enropean navies were working well together to protect merchant shipping from mines and attack in the Gulf, Mr George Younger said in Rome yesterday, Router adds.

Communists in Spain may seek new leader

MR GERARDO Iglesias, the Spanish Communist leader, yesterday refused to be drawn on reports that he was planning to stand down as secretary general next month, writes David White in Madrid. Security police allowed Mrs Wollenberger's bushand, East Berlin's bishop and three plain-clothes agents to enter court.

Mrs Wollenberger helped found one of several small Protestant Church-linked peace and human rights groups and was arrested 10 days ago on her way to try to join an official march led by Mr. Erich Honecker, the East German leader, in memory of two German revolutionaries murdered in 1919.

About 200 other activists Security police allowed Mrs

According to several Madrid newspapers, a change of leader is being prepared for the party congress on February 19 in a bid to contain its long-running internal crisis and reunite the Spanish Communist movement.

They pointed to Mr Francesc Frutos, a former leader of the affiliated party in Catalonia, the PSUC, as a likely successor.

The 42-year old Mr Iglesias, a former miner, has led the party since November 1982, when he succeeded the veteran Mr Santiago Carrillo after a disastrous election which brought the socialists to power. The subsequent split betwean the two men resulted in Mr Carrillo forming a separate party.

In the 1986 general election the United Left won only seven of the 350 Congress seats.

FINANCIAL TIMES

where 31 people were killed in the world's worst nuclear disaster in April 1986. But officials have repeatedly stressed that nuclear energy expansion will continue and indicated that they would like to triple the number of power stations in operation by the end of the century. Following the its "shoot to kill" policy at the border. Western correspondents were detained at or on their way to that protest. Most of the protesters, imany seeking to emigrate, have since former Communist Party member Mrs Vara Wollenberger allowed to go to West Germany. Five of the would be emigrants ful assembly and hodiganism, both punishable by up to eight Mr Yotov, who in early 1987 was replaced as editor in chief af Rabotnichesko Delo, the party newspaper, said that reform outlined in the July plenum could not take place in 24 loans or grants. changes in the ministries. However, it seems the pro-French minister urges a free trade Europe

Yugoslavs seek

Italian backing

MR BRANKO Mikulic, who

today starts the first visit to ltaly by a Yugoslav Prime Min-ister in 20 years, is expected to sign a three-year economic co-

aperation agreement with Mr Giovanni Goris, his opposite number, writes Aleksandar Lebi in Belgrade.

Mr Mikulic expects Italy to support Yugoslavia's requests for a long term restructuring of its external debt, so that debt

on debt plans

out that the official investiga-tioo into the fire at the Chemo-byl plant had put the blame on technicians earrying out gisme."

Alain Madelin, French minister of Industry, who said Britain and France should join forces to prevent any return to "diri-

the pace of reform.

Mr Yordan Yotov, a member

of the Polithuro and the secre-tary of the Central Committee told a new conference yester-daythat the meeting would

the July plenum"

solidate decisions made at

Mr Madelin, who was addressing the Royal Institute of International Affairs at authorities announced that the Chatham House, surprised and already being created in the Chernobyl clean-up operation delighted an audience unused to world. The US and Canada had hearing such Cobdenite ideas just laid the foundations for a expressed by a representative of a French government. instance of a fire trade area which would be able to rely upon less costly

for the 12 countries of the Comzone, Korea, Talwan and the free enterprise a munity, but on condition that it "Chinese diaspora" were congruent is least is a free trade Europe," Mr eentrating their energies Mr Madelin said. "Europe is a great around Japan. "We will see

tha powers we strive to take away from French or British

Late last year the Bulgarian media was singled out for not explaining the substance of the

reforms and calls were made for more openness in the press. Pogled, a popular political weekly, concluded after send-

Mr Madelin said that two major economic poles were of a French government.

"I am convinced that Europe sub-contractors in Central is a piece of luck to hold onto America. In the Asian Pacific

equivalent dimension, other-wise, poor in raw materials, politically fragmented and tech-nologically dependent, it would soon become a sub-contractor for the two others.

Quite apart from the international competition which the European Community countries face, they will also be compet-ing against each other much more actively after 1992, when the single European market is due to be completed. The advantage will go to the one with most to offer in terms of free enterprise and whose gov-ernment is least interventionist,

The newspaper said that there was public opposition to other nuclear plants planned or under construction but pointed out that the official investigation.

A RINGING appeal for free idea, but let us beware that it trade and deregulation in does not become a flag of continuous but to become a third pole of country where the social and equivalent dimension, other discal climate is the best, where the tax system of Industry, who said Britain back to European technocrats politically fragmented and technocratic discallular descriptions. overheads, where the tax sys-tem offers the highest rewards for effort and initiative, where the educational system is best able to forge the skills and develop talent, where the social protection system offers the

best service at the least cost and where capital is best remunerated." We will see jobs, firms,

For the European economies, 1992 would truly be an eco-nomic, social and fiscal "big bang". It would be the occasion

will have to be less cumbersome and better managed and the states, too, will have to be competitive."

Mr Madelin said that the UK was well armed to face this challenge, thanks to the policy pursued during the last eight years by Mrs Thetcher. However, in France, too, mentalities were changing, together with the old structural rigidities. The removal of price controls, the new incentive to competition and the reduction of fiscal

will have to be less cumbersome

About 200 other activists

and the reduction of fiscal overheads, had made French companies more competitive.
With privatisation, the stitude for reassessing many established practices, protected up to
now from the healthy winds of
competition. "Administrations as never before."

with privatession, the attitude of the French to private enterprise was changing and new businesses were mushrooming as never before.

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OVERSEAS NEWS

Effort resumed to end civil war in Angola

BY ANTHONY ROBINSON IN JOHANNESBUE

LONG-RUNNING US diplomatic efforts to end the civil war in Angola and bring independence to Namibia are due to resume in to Namibia are due to resume in the Angolan capital Luanda. The arrival of Mr. Ghester Crocker, the US Assistant Sec-retary of State for African Affairs, follows indications through diplomatic and infor-mal channels that the MPIA. Government is once again ready to discuss a reduction in Cuba's 40,000 strong army of troops and advisers.

and advisers.

The new talks are taking place against the background of serious military setbacks for the Soviet and Cuban-backed Angolan Government Fapla forces. In October rebel Unita troops supported by South African armoured units, artillery and air force halted the Soviet-planned dry season Fapla. planned dry season Fapla offensive at the Lomba River some 25 kms north of its target — Mavinga the Unita-held for-

ward base.
Instead of petering out with
the onset of the rainy season as
usual fighting then continued
with renewed ferocity as Dr
Jonas Savimbi's Unita soldiers laid siege to Cuito Cuanavale, the forward staging post for the Fapla offensive. Units spo-kesmen in Lisbon claim that. Cuito Cuanavale had fallen but Luanda has denied the claims; adding that it had ordered. Cnban-piloted Soviet fighter-bombers to strate long-range South African artillery emplacements and the besieging Unita troops.

Angolan claims that 6,000 South African ground forces are involved in the fighting have been dismissed as propaganda by Pretoria who tacitly acknowledge South African artillery and other support for selves gracefully.

A STATE OF S

zionisti i

Thatcher ponders African visit

states in January next year.

The Prime Minister, who is taking an increasing interest in the region, is understood to have provisionally set aside time during the parliamentary thought to have invited her to recess to visit Mozambique, Zimbabwe in acknowledgement of her role during the Lancaster

Whatever the immediate fate of Cuito Cuanavale, it has reportedly been so heavily damaged as to make it unusable for launching a future dry season offensive against Unita.

Diplomats note that usually a military setback strengthens the hands of those within the MPLA Government who favour a negotiated solution to the 12-year war.

Meanwhile Preturia, whose own willingness to withdraw

own willingness to withdraw from Namibia and grant inde-pendence to a probably hostile, Swapo-dominated government in Windhoek once Cuban Groops

in Windhoek once Cuban froops are withdrawn from Angola is itself highly questionable, has grown increasingly sceptical of US diplomatic efforts.

Pretoria is encouraged by what it perceives as the renewed European interest in Africa symbolised by Mrs Margaret Thatcher's recent visit to Kenya and Nigeria and a visit to the region by Mr Franz Josef Strauss, the Bavarian leader.

This has led to the as yet

This has led to the as yet vaguely defined idea of a European-supported African initiative to try to resolve the Angolan imbroglio. President Botha himself this week dusted off his earlier discredited proposal for a regional Southern African conference.

What is now being mulled over in Pretoria is the idea that European countries might lend support to an initiative by countries such as Kenya and Nigeria, and possibly Zaire and Morrocco. As yet no concrete proposals have emerged but negotiations developing from Africa would have the advan-

Mrs Margaret Thatcher, the receive her President Chisesmo, Prime Minister, is considering a who has given Mrs Thatcher a tour of three southern African standing invitation to visit Mozambique, believes she could help persusde Pretoria to end

support to the country's rebels.

Mr Mugabe, although strongly critical of Mrs Thatcher's anti-sanctions stance, is also Although plans for the visit House conference in 1979 are tentative, all three countries are thought to be ready to pendence.

Rebels dig in as Aquino counts poll gains

Richard Gourlay in Manila reports on continuing Philippine unrest

For the rebels, the elections in President Ferdinand Marhave been a spectacular tax cos's time, compounded by a driva, soma politicians say, barren economic landscape, raising millions of dollars probably to buy arms. For President volunteers as the communist Corazon Aquino, the elections have returned mainly pro-administration candidates, though their support is by no means guaranteed, and completes the third largest city, have also Asia's one remaining serious communist insurgency, is unclear. At the very least it is another factor in the inconclu-

sive debate, as Mrs Aquino approaches two years in power, over who is winning in the 19-year long battle. neral picture appears strusted

THE COMMUNIST PARTY of the Philippines has energed as one clear, if indirect, winner in Monday's local elections despite running no candidates in the polls.

As Mr Stephen Solarz, US Congressman and chairman of the House Foreign Affairs subscriptions and chairman of the House Foreign Affairs subscriptions and governors in 73 provinces the banned Communities, said in Manils last week, the Philippine Constabiliary accounts, greatly noist party boosted its finances by entorting money from candidates in return for safe-conduct passes.

For the rebels, the elections have been a spectacular tax on the Philippine Constability of the Philippine Consta

ideology.
Right-wing vigilante groups, inspired by the Alsa Masa (Arise Masses) in Davao, the third largest city, have also guaranteed, and completes the restoration of democratic institutions to the country.

Just how this will tilt the scales, if at all, in South-East back into the hills.

The communists, the Philip-military and analysis place military and analysts including those who advise Mr

Solarz, seem to agree that the NPA has lost ground in Mindanao and the central Visayan islands and has gained on Luzon island, where Manila is structured. Too frequently, however, stand off in the countryside

have an entrenched insurgency throughout the country capable

of capitalising on the continued misery which afflicts millions of Filipinos and in the injustices and inequities that are systemic in this society," he said. While the communists would sides, is flag-waving for the agree with this assessment, troops. But the Communist they clearly take exception to party also reiterates its call for Solarz's reference to them

as a "party degenerating into a Mafloso-type operation" that is exploiting the weak. In an generally upbest end-of-year self-analysis in the party paper, Ang Bayan, the central committee talks of being on the "threshold of the strate-gic stalemate" with the Philippine armed forces. This phase in their revolution involves a

and precedes "strategic offence."

The paper talks of expanding military operations and increasing political education through its 17 regional party organisations and claims that soon "the formal structure of the people's revolutionary government in the regions and all over the country (will be) established."

In this war of words, the military counters that the rebels may have "influenced or influenced or influenced or influenced" 20 per cent of the country's villages, but that they are

try's villages, but that they are still many years away from coming close to toppling the wernment. Much of this talk, from both

external support that has only dribbled in until now.

With some urgency, the party calls for more unconditional political and material support from abroad and expanded relations with "fraternal Marx-ist-Leninist parties in socialist countries." Since the party has Maoist origins, the approach

The history of the Philippine insurgency suggests that nothing moves quickly. Fourteen years of Marcos dictatorship, the latter part dominated by abuse and economic decline, helped build the NPA, but still only 12,000-15,000 of its estimated 24,000 force are armed. Many observers still believe

that only a well implemented land reform programme, bene-fitting the millions of landless tenants, can alter the balance in this sterile conflict. But a land reform bill has already met stiff opposition in the land-lord-dominated Congress, even before the problems of financ-ing and implementation are

The NPA's replenished cofunderlines a new pragmatism fers may be long depleted by towards Marxism which has nothing to do with warming gramme is implemented.

Hong Kong talks falter on defence allocation

By David Dodwell In Hong Kong

NEGOTIATIONS broke down yesterday between Hong Kong Government officials and staff of Britain's Ministry of Defence over how Britain's 8,000-strong garrison in the territory is to be funded in the years up to 1997.

A brief statement released after six days of inconclusive talks simply noted that the two sides "will now report to their respective governments on the progress made and the posi-tions reached."

It said a further meeting would be held "in the near future".

The Hong Kong Government pays for 75 per cent of the cost of the British garrison. In 1987, this amounted to a charge on the Hong Kong taxpayer of HK\$1.7bn.

However, the current sevenyear agreement expires at the end of March, and the Hong Kong administration has fought in negotiations stretching back to July last year for a smaller local contribution - perhaps 60 per cent.

This latest and fourth round of negotiations was widely sig-nalled as a last ditch attempt to find an agreement on funding

Sri Lanka sets timetable for provincial polls

SRI LANKA intends to hold provincial elections between March and the middle of the year in an attempt to stem the island's growing tide of vio-lence by beginning to restore normal political activity.

This timetable has been spelt

out to the India government this week by Mr Junius Jaya-wardene, Sri Lankan President, who is on an official visit to the country. He has said that he hopes the elections will start in March or April and be com-pleted by the middle of the

They would be held in the troubled Tamil areas in the north and east of the island. which are to be combined into one province, as well as the remainder of the island. Mr Jayawardene repeated a pledge that he will then consider Tamil devolution requests.

Aquino in human rights row

HUMAN RIGHTS groups in the Aquino said human rights Philippines reacted angrily yesterday to comments by President Corazon Aquino that their People's Army rebels.

Mrs. Aquino has leaned efforts to expose military abuses were "worthless carp-

ing."
Mrs Aquino told senier officers on Tuesday that soldiers

heavily on human rights law-yers in her administration for advice, some of whom defended radical opponents of former should not worry about being President Ferdinand Marcos accused of violating human before he was removed nearly rights in their fight against the two years ago. Some officers communist-led insurgents. In have accused her of shackling her strongest endorsement yet of the use of force against the her backing over the buman 19-year long insurgency, Mrs rights issue before.

"All accusations of deliberate disregard for human rights have been shown up to be total lies," Mrs Aquino said in a speech to mark the promotion of General Fidel Pamos from armed forces chief to Defence

Secretary. Human rights groups, represented throughout the country, accused her of tailoring her comments for the military hardliners who have launched five coup attempts against her and who think she has been "soft"

Taiwan's President Lee to head party

Party yesterday bowed to public and internal pressure and named President Lee Teng-bui acting party chairman – a position held previously by former presidents Chiang Ching-kuo and his father, Generalissimo Chiang Kai-shek, almost uninterruptedly since 1928.

The amountment, promoted

acting party chairman — a postion held previously by former gain control of the party after presidents Chiang Ching-kuo and his father, Generalisaino Chiang Kai-shek, almost uninterruptedly since 1928.

The Taiwan-born Mr Lee, 65, now heads both the government and the party — an important chairman at its congress in July consideration, given his previous leep the post.

TAIWAN'S ruling Nationalist party support by younger pro-Party yesterday bowed to pub-lic and internal pressure and party, in effect checkmates any effectively, because be lacked moves by the conservative facthe assumed prerequisites both tion within the Government to of being born in mainland China

Asia's emerging giants BY ROBIN PAULEY, ASIA EDITOR **EXCHANGE RATE** movements

'Super-boom' ending for

competitiveness mand western Europe, with the result that relatively robust growth is likely throughout this year, according to a Pacific Basin economic assessment by London brokers James Capel, published today. This is in spite of the projected slow-down in the growth of world trade.

However, the four Asian newly industrial.

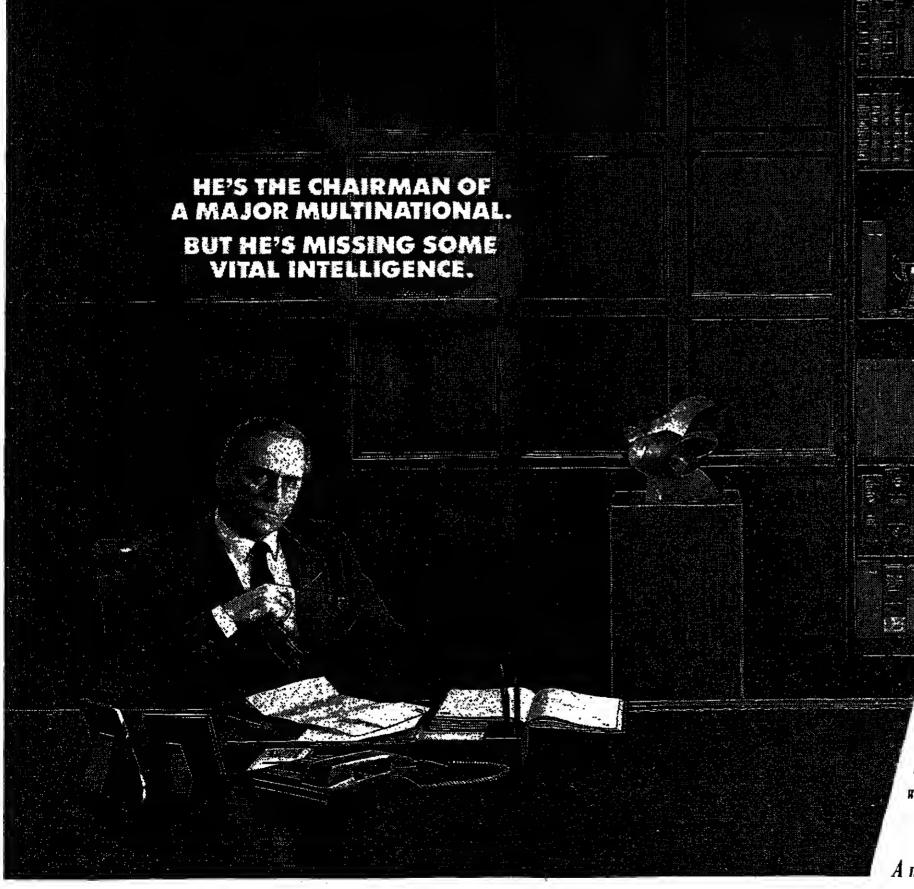
However, the four Asian newly industrialised countries

Taiwan, South Korea, Hong Kong and Singapore - will not be able to sustain the "superboom" conditions of 1987. Their average rate of real growth in ground demantic product in gross domeatic product is expected to fall from 12 per cent to 8 per cent which would still be more than treble the rate of growth projected for the OECD area.

South Korea is expected to

ancy of Japanese domestic demand, stimulated by a expan-sionary monetary and fiscal policies. Nevertheless, the yen is expected to appreciate errati-cally to reach Y1iO against the dollar by the end of the year.

Japanese multinational companies would continue to seek to reduce the resulting loss of as seeking more raw materials lead the way with real GNP and semi-manufactures from growth of 9.5 per cent followed the low-cost Asian countries, by Taiwan and Hong Kong each with 7.5 per cent. Singapore is Taiwan, Hong Kong, Singapore expected to bave only 5 per and Thailand.



His company relies on large, reatralised computers.

At the moment, they're busy with the monthly accounts.

So his nera request for information, and his decision, will have

It's a frustrating way to work, and it's inefficient.

In fact, studies show that the productivity of 'knowledge workers'

4 more intelligent approach

has fallen over the last dernde, despite computerisation.

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In shart, distributed intelligence means better decision-making throughout your organisation.

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manthly figures. Simultaneously.)



A more intelligent approach to computing

Reagan seeks to fend off defeat on Contras

PRESIDENT Reagan was yesterday due to present Congress with a sharply reduced request for \$36.25m aid to the Nicaraguan Contra rebeis, including only a token amount for mili-

tary assistance. The compromise package is aimed at staving off defeat in two showdown votes lo the Democrat-controlled Congress Democrat-controlled Congress
next week. Mr Reagan - who
has made Contra aid a benchmark of his presidency - faces a
close fight, notably in the
House of Representatives which
has a large Democrat majority.
The Administration argues

that Contra aid is necessary to maintain pressure on the left-wing Sandinista government in

Cheer in Bush camp over television clash

THE political advisars of Vice-President George Bush claim that his confrontation on Monday with Mr Dan Rather, the CBS Television news anchorman, was a "defining moment" which has galvanised his campaign for the Republi-can Party's presidential nomi-

on Tuesday night CBS reported on the fall-out from the interview. Mr Rather defended his aggressive ques-tioning of Mr Bush, during which Mr Bush fiercely attacked both the CBS network and the anchorman himself for incessantly focusing his ques-tions on the Vice-President's

role in the Iran/Cootra scandal. Analysis Is focusing on whether Mr Bush was "ambushed" by Mr Rather or whether he deliberately walked into the CBS interview looking for a fight with a reporter known for his aggressive ques-tioning to prove that he is not the spineless politician his crit-

to have emerged as the winner He has shored op his support among Republican conserva-tives for whom CBS News and Mr Rather in particular are anathema. This is an important advance with the lows caucuses, the first real test of appeal of the Presidential candidates among party loyalists, only 12 days away. Mr Bush is trailing his main rival, Senator

continued to focus attention on a reputation for opportunism, Mr Bush's involvement in the authoritarianism and vindic-

Japanese

Olivetti unveils

computer plans

OLIVETTI, Eorope's leading trated initially on prodocing

office automation equipment floppy disk drives, a field in manufacturer, is setting op a which it claims world leader-Tokyo-based joint ventore called Pegasus with the Japa- it into the manufacture of per-

called Pegasus with the Japanese company Y-E Data.
Pegasus will develop, produce
and sell portable personal computers to be manufactured by
Y-E Data in Japan. Olivetti will sion of its products on world have a controlling interest of 50 markets. Mr Elserino Piol. Olivetti will except the puter of the products of the product of the pro

Nicaragua to comply with a delicately poised regional peace plan. Democrats counter that more lethal aid would torpedo

White House officials, seeking to influence next week's vote, said that Mr George Shultz, US Secretary of State, may meet Cantral American leaders, including Nicaraguan officials, if Congress approves the aid package. Such a visit would signal that Washington had

The official Soviet news agency Tass yesterday con-demned President Reagan's decision to seek further US aid to the Nicaragnan Contra rebels and said his pol-icy violated human rights and faced broad opposition

including Nicaraguan officials, if Congress approves the aid package. Such a visit would signal that Washington had shifted emphasis from a military to a diplomatic solution.

The Sandinistas have agreed to direct talks with the Contrast to direct talks with the Contrast are expected to open in Costa Rica this week, bot are oot included in a separate account. If it was determined that Nicaragua was complimed that Nicaragua was completed to address this issue.

However, it remained unclear yesterday who would be contrated to address this issue.

However, it remained unclear yesterday who would be contrated to address this issue.

in Congress and among the US people, Charles Hodgson writes from Moscow. Tass said the \$26.5m aid request for the Contras was a con-tinuation of "an undeclared war on Nicaragua".

are reloctant to let Congress have the final say.

Tom Burns adds from Madrid: President Danial Ortega of Nicaragua yesterday called on the leaders of Spain and Canada to verify the Sandinistas' efforts to shide by the

dinistes' efforts to shide by the peace plan and urged an end to US aid for the Contras.

Mr Felipe Gonzalez, Spanish Prime Minister, said that Spain would be "well disposed" to be part of the verification committees proposed by the Nicaragoan leadership but that he would consult other Central American presidents who are party to the regional peace initiative before making a commitment.

Manigat waits to show his hand

Opinion divides about Haiti's new President, writes Michael Tarr

an autocranc and macmaveman reputation becomes Haiti's first elected President in 30 years on February 7. But Professor Lea-lie Manigat has been elected in a poll which most Haitians find even less credible than that

Prof Manigat, politicians who refused to run and called for a boycott, the powerful Catholic and Protestant churches, pro-fessional, labour and civic groups - virtually everyone has accused General Henri Namphy's caretaker government of rigging the voting. However, former Manigat allies who now oppose him

believe he is too cunning to be the puppet of the army officers and feuding Duvalierist groups which have ruled Haiti since the old regime fell almost two years ago.

Despite his excellent creden-

tials, few would have bet until this month on the 57-year-old professor becoming President. During 23 years in exile he established a formidable array of political contacts as an inter-national affairs specialist at think-tanks and universities in the US, France and the Caribbean. He also bullt one of Haiti's biggest electoral machines on the basis of a party he founded in exile in 1979.

Robert Dole, in the polls.

However, the interview has and pedantic on television, and

A PORTLY, conservative professor of political science with "A Thousand and One Reasons an autocratic and Machiavellian For Not Voting Manigat". Most observers ranked Prof Manigat fifth in the race for the February 7. But Professor Lealie Manigat has been elected in
a poll which most Haitians find
even less credible than that
which brought the late dictator
François "Papa Doc" Duvalier
to power in 1957.

Politicians who ran against
Prof Manigat, politicians who were four centrist candidates whom the military suspected of planning radical "de-Duvalieris-ation" and human rights trials. As a result the junta allowed Duvalierist thugs to torpedo the

> would boycott any further polls and Gen Namphy's "minder", until the junta was replaced, and they expected Prof Manigat to follow suit. He did not, but gat well suspect he promised neither did he take over imme-Gen Namphy's post as army distelly as the fewerite. The diately as the favourite. The commander in chief to Gen military at first were inclined Regals and gave assurances to to choose a Duvalierist such as all the Duvalierist barons that Papa Doc's Finance Minister they would be left intouched.

> However, a drastic cut in aid dark akin, he is still thought to by both France and the US in protest at the interrupted transition to democracy, together down to giving government with talk of a regional trade posts to blacks and curbing the embargo and even foreign milinfluence of the fair-akinned tary intervention, tipped the elite.



Duvalierist thugs to torpedo the election by murdering at least 34 people. It then disbanded the independent communities on and made clear it intended to control a rescheduled poll.

The four frontrunners reacted by announcing they would howeful any further rolls and Gen Namphy's "minder".

Clovis Desinor, or one of the In wooing the Dovalierists, more pliable second-tier candidates, rather than take a risk fact that he was a Papa Doc with the strong-willed professor.

Let you do be let involuties, and wooing the Dovalierists, more pliable second-tier candidates, rather than take a risk fact that he was a Papa Doc with the strong-willed professor.

Let you do be let involuties to be let involuties.

sharp fall in orders resulting from the cancellation of this

mammoth project - on the development of which \$1.2bn

had already been spent. The dust has settled considerably since the initial days when Israel Aircraft Industries (IAI)

workers took to the streets in violent demonstrations. Today,

larse's defence establishment is beginning to grapple with the painful problem of the esti-mated 6,000 to 8,000 workers

on the project who have to be laid off.

engine, which was to have pow-ered the plane, had been seen

as the company's main hope for

constitution, including right of veto over the choice of Prime Minister. Thanks to the opposi-tion boycott four fifths of the seats are thought to have been filled by former Duvaller offi-cials or supporters running as independents.

cials or supporters running as independents.

This view is shared by Serge Gilles, a leader of the National Froot for Concerted Action (FNC), oos of the biggest groups to boycott the election. "Even if Manigat would like to permit certain liberties, certain political space for the opposition, it will be hard for him. Manigat will be the prisoner of a Duvalierist Parliament, a Duvalierist Prime Minister and a Duvalierist army, he says. However, a former ally who did not want to be named, thinks differently: "Like it or not, these people are now com-

not, these people are now com-mitted to playing the demo-cratic game. But most of them are mediocrities who have no has been studying this, prepar-ing for this all his life. He'll run rings around them."
According to one of the many,

According to one of the many, contradictory forecasts sweeping Port-an-Prince, it will be Prof Manigat who uses the army, and not the other way round. But he will use it to rule by terror; he is another Papa Doc in the making.

Mr Gerard Bissainthe, an SNC spokesman who was once a friend of the new President. friend of the new President, denies any parallel with Papa Doc. "Manigat is an intellectual, But his appeal was flawed by a tendency to appear pompous and pedantic on television, and a reputation for opportunism, authoritarianism and vindicativeness—charges made by a tendency to appear pompous are possible.

The army and the Duvalier—a him and the properties of the appearance of culture.

The army and the Duvalier—a him and the properties of the solution of culture.

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Phantom critic raises ghost of a smile

By Raymond Snoddy in New York

MR John Selwyn Gu MR John Selwyn Gummer, former chairman of the Conservative Party, was in patriotic mood in the early hours of yesterday morning. "Andrew's done it. Britain's done it," said the Minister of Agriculture, Fisheries and Food in the midst of a party for 1,100 after the New York launch of Andrew Lloyd Webber's Phantom of the Opera.

the Opera.

The minister had flown to

The minister had flown to New York to cheer on the composer, his friend; and offer a little moral support; if needed, against the ferocious New York critics.

Whether the critics were moved by kenophobia, jealousy or musical taste, many of Mr Gummer's fears were realized. The phantom at the party in the Greek, Roman, Renaissance and Rococo splendour of the 1929 Beacon movie theatre was New York Times the atre critic Mr Frank Rich.

Fhantom may have taken

Phantom may have taken an all-time record \$10m in advance bookings, you may only be able to get a single seat before November if Inchy, and there was an

lucky, and there was an eestatic standing ovation in the Majestic Theatre on Tuesday night but Mr Rich was tough.

After saying it was difficult not to enjoy the evening and praising Mr Michael Crawford's Phantom to the skies; Mr Rich said the production was "as much a victory of dynamic stagecraft over musical kinsch as it is a triumph of merchandising uber alles".

Mr Lloyd Webber's wife Sarah Brightman, subject of a huge row because she was not seen as sufficiently big

a large row because she was not seen as sufficiently big a star to deprive an Ameri-can performer of the job, also got the Broadway treatment. "After months of playing Plantom in London-she still simulates fear and she still simulates fear and affection alike by screwing her face into bug eyed, chipmunk-cheeked poses more appropriate to the Lon-Chaney (silent) film version," said Mr Rick.

At the party Mr Lloyd Webber began to look as if there had been a tragedy in the family. "They don't want to give credit, do want to give credit, do they," Mr Gummer said.

Chilean political group releases platform for poll

A GROUP of seven Chilean political parties has released a 76-page proposal for a four-year transitional government to succeed General Agusto Pinoch-

succeed General Agusto Planciset's regime.

The document outlines economic and social policy and contains provisions aimed at reassuring Chile's private sector that existing property rights would be respected.

According to Mr Rene Abeliuk, a social democrat and one of the document's backers, the proposed transitional government would not undertake agrarian reform and, although agrarian reform and, although critical of the Pinochet regime's privatisation programme, would not overturn sales of

state enterprises.

Chilean authorities plan to hold a one-man presidential plebiscite later this year in which a military-selected candidate — who could be General Pinochet — will run in a "yes" or "no" vote.

If elected, this candidate would serve an eight-year pres-

would serve an eight-year presidential term beginning in March next year. If he lost General Pinochet would remain in office another year, after which open presidential elections would be held. Both the regime and its opponents have begun publicity campaigns urging yes



General Pinochet

have risen over the past few A Chilean military court this week sentenced two labour leaders to 541 days prison for their part in organising a one-day general strike last October.

Another military tribunal has Another muitary tribunal has issued indictments against the director of Chils's most respected news magazine, a journalist, a Roman Catbolic priest and a political scientist on charges of offending the armed forces.

A senior police official was killed and two others injured in

Peruvian guerrillas shift tactics and back strike

BY BARBARA DURR IN LIMA

today faces the second national strike in less than a year. The action is supported for the first time by the Maoist guerrillas of Sendero Luminoso (Shining

Path).

The guerrillas' backing marks a significant change in their tactics. Uotil now they have disdained union activity, concentrating since 1980 on waging an armed insurrection.

But in a document published earlier this month Sendero Luminoso says it considers that labour union activity is legiti-

Liminoso says it considers that labour union activity is legitinate revolutionary terrain,
Through its unofficial voice, the daily newspaper El Diario, Sendero Luninoso has called for a "combative strike". It has condemned the Communist party-led Confederacion de Trabajadores del Peru (CGTP) which

PERU'S President Alan Garcia called the strike, as allowing today faces the second national "worker sell-outs".

The CGTP led a 24-hour national strike last May which was only partially successful. President Garcia bas been trying to convince the CGTP leadership that the Government has done as much as possible to improve workers' conditions. He argues that the minimum wage has risen 511 per cent since he came to office and that nnemployment has fallen from 12 to 8 per cent. Inflation has partly undermined this.

· Pern has failed to send a debt negotiating team to New York this week, as planned, Economic officials say they are still working on debt proposals and expect to confirm a date with their commercial bank

WORLD TRADE NEWS

Judith Maltz on a vital industry licking its wounds in the post-Lavi fighter era

Big changes face Israel's aircraft makers

FIVE MONTHS after the fateful decision to scrap the costly Lavi fighter-bomber – the most ambitious project Iarael had ever undertakso – the country's defence industries are still licking their wounds.

At the same time, they have begun a thorough reassessment of their activities in order to adjust batter to the sudden sharp fall in orders resulting

By Our Correspondent in Sao

A SOVIET mission is in Brazil to discuss financing for a \$250m railway in the arid north-east region of the

The Soviet interest in the railway may indicate that Moscow wishes to establish closer economic ties with Latin American govern-

have a controlling interest of 50 per cent plus one share in the venture's initial share capital of Y300m (£1.32m).

The project reflects the Italian group's interest in strengthening its position in the personal computer market. About 28 per cent of Olivetti's consolition in the personal computer market. About 28 per cent of Olivetti's consolition in the personal computer market. About 28 per cent of Olivetti's consolition in the personal computer market. About 28 per cent of Olivetti's consolition in the personal computer markets. Mr Elserino Piol, Olivetti's executive vice president for strategy and development, says that Y-E Data, with its experience in high-quality production and advanced engineering is provided at the project reflects the Italian group's interest in strategy and development, says that Y-E Data, with its experience in high-quality production and advanced engineering is provided at the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the project reflects the Italian group's interest in strength and the proj The mission has arrived

28 per cent of Olivetti's consolidated revennes are now accounted for by personal computers.

Two additions, featuring new tap-top technology, are planned to Olivetti's range and they will ucts.

• Himont, Montedison's poly-

Brazilian officials have propylene subsidiary, and Technimont, the group's engi-neering offshoot, have signed a letter of intent for the construction of a polypropylene plant in Argentina. The Argentinian partner, for which the contract will be signed within 60 days, is the Perez Compane groop. Himont technology will be used for the plant which should

umes are expected to quickly reach 100,000 units. The pro-jection is based on Olivetti's experience with its M15 model which is manufactured by Hitafor the plant, which should start operating in 1992. Annual Y-E Data, formed in 1973 as a subsidiary of Yasukawa Elecsubsidiary of Yasukawa Elec- plant capacity will be about tric Manufacturing, concen- 100,000 tonnes.

Moscow may back **Brazilian** railway

at a delicate stage in Bra-zil's relations with the US. Washington is angry at cur-rent negotiations between Libya and Brazilian arms companies over a possible

S2bn export contract.

The US is also pressuring Brazil to dismantle policies that protect its computer and pharmaceutical indus-

rejected a strongly worded US protest over arms nego-tiations with Libya. Brazil'e ambassador to Washington said yesterday that Brazil's "situation does not allow us "situation does not allow us to ignore any deals."

Mr Roberto Abreu Sodre, Brazil'e Foreign Minister, said the US protest will have "no effect whatsver."

After it learned that a Libyan military delegation was in Brazil to buy weapons Washington damanded that Brazil suspend the negotiations.

negotiations.
Libya is believed to want to purchase armoured cars, heavy tanks and missiles. The contract could be worth \$2bn. In addition the Brazilians are understood to be carbing a further \$2br. in Libyan financing to develop medium range conventional ballistic missiles.

Mr Mignel Arraes, tha left-wing governor of Pernambnco etate, broached the subject of Soviet financing for the railway in May The railway, which will

not be built for a year, is planned to encourage irriga-

tion and farm projects in the north east ' Brazil's most backward region where malnutrition is rife. Mr Mikhail Gorbachev, the Soviet leader, is expec-ted to visit several South American capitals later this



package for the plane, the extent of the damage has been limited to the loss of future sales and income, once production got underway.
While the survival of IAI For some of the Israeli subcontractors, like Bet Shemesh
Eogin ea, the debt-riddae
aero-engine manufacturer, the
cancellation of the Lavi ("lion")
has virtually meant the death
dented blow. More important,

has virtually meant the death dented blow. More important, sentence. Production of parts the company will have to adjust for the Pratt and Whitney to the loss of over \$200m a engine, which was to have powyear in guaranteed orders. resulting from the project.
What have Israel's military industries learned from the Lavi experience? For IAL, the conclusion is self-evident: "I For the more fortunate com-panies like Elista, which had developed a electronic warfare don't think Israel will ever

again manufacture its own mili-tary aircraft," says a company executive. What is more, he says, IAI will think twice before serving as the main contractor in any large project

For the Israeli subcontrac-tors, the lesson of the Lavi is to beware of involvement in proj-ects where decisions are strongly influenced by political considerations and where the products developed have no. Iternative uses.

To ease transition to the

While Israel's defence indus-While israel's defence industries have been plagued by problems—sharp cuts in defence ministry orders, the weakening of the US dollar, in which their contracts are quoted, and the duplication of functions—it was the Lavi's cancellation which brought home the need for a serious reevaluation of production and marketing objectives.

Mr Emmanuel Gil, president of Elvit, said that with defence budgets shrinking around the world and cost-efficiency becoming more important, the industry's future lay in refitting and upgrading equipment. Elvit, earmarked to produce avience for the Lavi, became the first Israeit company to launch a post-Lavi re-organisapost-lavi ers, the government has showed the project to continue on a limited scale for the next few months in the form of

tion programme giving priority to profitability over growth.

IAI, which lost \$30m in 1986-87, says evidence of its new "business-minded" attitude lies in its decision to consolidate the company's five divisions and to stop production of the unprofitable Arava cargo sircraft.

Emphasis Instead will be testing platform for avionica developed for the aircraft. How well israeli contractors will be able to recover from the cancel-lation, says Mr Zalman Shalev, Elisra's president, will depend on whether technologies devel-oped for the Lavi can be adapted for other sircraft. Emphasis Instead will be

adapted for other sircraft.

In particular, Israel's defence industries have been eyeing the American F-16 which the government has chosen in place of the Lavi, hoping the US administration will fulfil its promise to allow Israeli parts to be used in the sircraft. Emphasis Instead will be placed oo "weapons for the Inture battlefiald" - the Lavi alternative, which the defence ministry has promised will be developed with the \$450m worth of funds freed by the aircraft's cancellation. IAI sees its main source of future profits in pilotless drones. One of tha IAI's subsidiaries is bidding with Dornier for a West Gerwith Dornier for a West Ger-man development contract for

trones.

The adaptation of military technology to the civilian market, the area Elvit sees as its best hope for growth, has also gained momentum. One area IAI views as attractive is the overhaul and maintenance of passenger aircraft.

Ever since the Lord.

senger aircraft.

Ever since the Lavi's cancellation, the search by Israeli companies for new opportunities overseas, especially in the US and other Nato countries, has taken on a frantic pace. In the past few months, virtually all of IAPs top management has been out of the country pursuing these objectives.

Japan soft pedals its tariff fight with US

BY CARLA RAPOCOTT IN TOKYO

WHEN Prasident Ennald Reagon imposed \$300m in pentitive triffs on Jupanese exports iest spring, Jupane said it would have been received the complaint has been made. When the Gatt rower in Jupanese representation on this issue Tokyo is how is a since at work in the US this year, not create the success of the US this year, not created the making a presentation on this issue Tokyo is how in the limitary of foreign employed the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of US criticisms of Japane's inability to boost imports for Godgen semiconduction on this issue of the Carlo in the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the product, in the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, not created the success of the US this year, of the U

EC to probe

on EC in Airbus row THE US yesterday continued its would be particularly unweldiplomatic pressure against come if it were to drive a US European government subsidies for Airbus Industrie, the air-

US maintains pressure

liner manufacturing group, when a senior US trade official warned the EC Commission about government distortion of

lap-top technology, are planned to Olivetti's range and they will be distributed by the company's commercial organisation in Europe and North America.

Sales will start towards the

end of this year and annual vol-

Speaking after meeting with EC Commissioners, Mr Bruce Smart, US undersecretary for international trade, said the current proposal to turn Airbus into a public limited company was welcome in moving the European consortium towards private enterprise and "away from being a child of govern-

Mr Smart said government distortion of the airliner market

company out of the business.

He noted that McDonnell Douglas, whose MD-11 was in direct competition with Airbus's new long-range A340, bad received no orders in the past year for its product because of what he claimed to be aggres-sive pricing by Airbus. If this continued, McDonnell Douglas might have to consider whether it belonged in the long-term in the air transport field.

He cautioned that any settle ment of the dispute must not violate US anti-trust constraints on pricing or Washing-too's public commitment to



In the twelve remaining years of this century, the world's population will grow from five to six billion people. That is six billion consumers of electrical energy who will need power for lighting and heating and cooling. Power for transportation. Power for industry.

5

Above all, they will need to make more intelligent, more efficient use of energy while protecting the environment.

Asea and BBC Brown Boveri have each been innovative forces in electrical engineering since the end of the last century. Now, we are planning for the next, together as ASEA BROWN BOVERI.

We have 180,000 people in more than 100 countries.

Our combined annual sales amount to \$ 18 billion. That means strength for the future. We are firmly and exclusively committed to energy engineering. And we see no limits in it.

As in the past, we will invest heavily in research and development.

It will take a special kind of company to make the breakthroughs and create the innovations required to serve six billion energy consumers. Together, as ASEA BROWN BOVERI. we have all the necessary abilities.

From roots in Sweden, Switzerland and Germany, we have come together to become the European world leader in energy engineering. In Europe, we are 140.000 people and we have major production facilities in Austria, Denmark, Germany, Finland, France, Italy, Norway, Spain, Sweden, Switzerland and the UK.

ASEA BROWN BOVERI

COMMERCIAL PAPER

The Financial Times proposes to publish a survey on Commercial Paper on

17 FEBRUARY 1988

Subjects covered will be:-

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- * Asset-Backed Commercial Paper * The Eurcommercial Paper Market
- * The Euronote Market
- * Medium-Term Notes
- * Clearing Systems
- * Sterling Commercial Paper * Other Domestic Commercial Paper Markets

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Tel: 01-248 8000, extn: 3461 Telex: 885033

Group finance director for BAA Group

Mr Nigel Ellis has been appointed group finance director, appointed representatives director, appointed representatives division. At Target to the US for personal reasons from the retirement of Mr Life Assurance Mr Bob Balling the retirement of Mr want is made sales director.

William Shaw oo March 31. Mr Ellis joined Hammerson Property Investment and Development Corporation in 1979 as its personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the RKF to the US for personal reasons of the US for personal reasons of the RKF to the US for personal reasons of the US for ment Corporation in 1979 as its group financial director, prior to which he was finance direc-tor, Holland America UK.

Mr Stephen Davies has been appointed a director of LON-DON & METROPOLITAN,

Mr Chris Humphrey has been Mr Chris Humphrey has been appointed group finance director of CRITCHLEY. He was group finance manager for Eurotherm international.

MBS has appointed Mr Derek**

**Lowis to its board. He joined MBS in September following the acquisition of Combro, where he was managing director.

ROSS CONSUMER ELECTRON-ICS has appointed Mr Paul Owens as finance director from February 1. He joins from Stoy Hayward.

TARGET GROUP has made the following apppointments at National Financial Management

BARD has appointed Mr Tom Hay as director of UK sales. He also becomes a member of the management board of Bard Europe. He was general sales manager of the manager of the

appointed a director of LONDON & METROPOLITAN,
responsible for industrial and
business park developments.

Mr Stephen Sherbourne has
joined LOWE BELL COMMUNICATIONS as an associate director, and senior corporate communications consultant. For the
last four years he has been
appointed managing director of
PICKFORDS TRAVEL retail
division. Be was retail
operations director (north). Mr
David Linzner has been
appointed personnel director of
CATIONS as an associate director, and senior corporate communications consultant. For the
last four years he has been
appointed managing director of last four years he has been appointed managing director of political secretary to the Prime the new leisure division. He Minister.

Mr Robert Paireloth, Mr Mich-sel Smith and Mr Gordon Yar-dley, all senior executives in the BTR Group, have been appointed to the board of BTR.

Mr Kenneth Woodhams has Corporation: Mr Brian Weston, been appointed managing directormanaging director; Mr Ben tor of E.W. PAYNE (NORTH Allen, sales director, TFC divi-AMERICA). He succeeds Mr

At TOUCHE REMNANT Mr Howard Dolling, Mr Martyn Hoare, Mr Michael Laugdon and Mr Leslie Mitchell have

Brothers, and will be responsi-ble for co-ordinating the activi-

also becomes a member of the management board of Bard Europe. He was general sales manager of the UK operation of Baxter-Travenol.

Mr Andrew Ensuch has been appointed managing director of Container Transpointed managing director of PICKFOEDS TRAVEL retail division. Be was retail operations director (north). Mr David Linzner has been business development manager Anoley Iwiston-Pavis.

Mr Andrew Ensuch has been business development manager Anoley Iwiston-Pavis.

Mr Ronald Hart has been appointed a director of Lloyd's Environment of Linguistics.

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Mr Ronald Hart has been appointed a director of Lloyd's Environment of ASSOCIATED appointed a di

NORTHUMBRIAN FINE FOODS has appointed Mr Graham Keen, sales director, as managing director of its new health food division. Mr Peter Upton, previously commercial director at Princes Buitoni, has become sales director in his place.

political secretary to the Prime Minister.

ALEXANDER STENHOUSE UK has appointed Mr David Moore as broking director of the marketing division of the central insurance services division. He was a director of Alexander Howden.

Mr Laurie Walker has been appointed chief executive of JOCKEY AND Y-FRONT, part of Courtailds clothing brands group. He was marketing director of Ash and Lacy, has been appointed managing director of Courtailds Hosiery.

Mrs Alison Branch has been appointed finance and administration at appointed administration director of the board of METCALFE Was a unitary to discontinuous tor of Courtaulds Hossery.

Mr Mike Cartwright, a director of Ash and Lacy, has been appointed managing director of Ash AND LACY BUILDING PRODUCTS.

Mrs Alison Branch has been appointed administration director of the board of METCALFE COOPER, part of the Hunter-Print Group.

Mr H. Langford has been made managing director of the metals division of TANKS & DRUMS

MANCHESTER EXCHANGE AND INVESTMENT BANK has made Mr Bonald JM. McMaster tor chief executive of the bank and the parent company, Management of the bank and the parent company and the parent company.

Mr J. Duffy, Mr S.J. Ogden, ter chief executive of the bank Mr T. Pountney, Mr D.P. Read and the parent company, Man-and Mr E.G. Richardson have chester Exchange Trust. He been appointed directors of succeeds Mr Andrew Blakes-BOWRING AVIATION. ley who has left to pursue AUSTIN REED GROUP has other business interests. Mr appointed Mr Colin Wilson a director from February 1. He era Irish division. Responsibility for this area will now ing director of Austin Reed devolve on Mr Christopher International and Stephens Bell, managing director of Brothers, and will be responsible for an additional and stephens.

ties of these two companies.

Boyal TRUST BANK has appointed Mr John Lovesey deputy chairman. Mr Jam-Arne fould, managing director of Bossmore, have been appointed a non-executive director.

NEWPORT

The Financial Times proposes to publish a Survey on the above on

MONDAY 28TH MARCH 1988

For a full editorial synopsis and details of available advertisement positions, please contact: CLIVE RADFORD

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UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY-indices of industrial production, manufacturing output (1980-100); engineering orders (1980-100); retail sales volume (1980-100); retail sales value (1980-100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	prod.	Output.	Order	AOT.	Anjad	ployed	Vecs.
1986	•					100	
2nd qtr.	109.7	104.5	97	121.3	154.0	3,203	175.6
3rd qtr.	110.9	105.0	96	128.7	158.7	3,202	200.2
4th qtr. 1987	111.1	107.4	96	126.6	184.8	8,141	213.0
1st qtr.	111.9	107.3	96	125.4	157.0	3,073	210.4
2nd qtr	1124	109.4	96	128.3	166.0	2,965	226.1
3rd qtr	114.7	111.8	92	131.8	171.8	2,827	241.3
4th qtr				138.4		2.639	262_1
May	113.1	109.6	96	125.4	161.2	2,952	289.5
Inne	111.7	109.8	96	129.4	167.2	2,935	238,7
July	1144	111.4	94	131.2	173.7	2,876	285.2
Aug.	115.2	112.1	92	132.5	171.0	2,628	286.9
Sept.	1144	112.0	92	131.8	171.5	2,773	246.6
Oct.	115.4	118.2	94	138.0	180.8	2,712	261.4
Nov.	115.2	112.6		1344	198.4	2,649	268.2
Dec.				182.9		2,614	256.6

	Goods goods	lavest. goods	Incmd,	output	Metal maig.	Textile etc.	Horney.
1986							
1st qtr.	103.8	98.6	114.9	99.4	109.1	103.1	14.6
2nd qtr.	105.3	99.5	115.7	161.4	109.6	104.1	19.5
3rd qtr.	108.4	29.8	117.5	101.9	108.5	103.2	19.4
4th qtr. 1987	108.5	102.8	116-0	104.7	115.0	104.8	15.5
Lat qtr.	108.1	100.7	117.5	102.9	113.8	102.0	17.4
2nd qtr	110.9	101.9	117.3	104.6	118.8	105.6	19.8
Brd qtr	113.7	105.2	119.2	106.7	119.9	107.7	20.2
May	111.4	101.8	118.5	105 0	119.0	106.0	20.6
June	110.8	102.1	110.9	105.0	123.0	105.0	20.2
July	113.5	102.7	119.3	106.0	120.0	108.0	20.8
Aug.	114.2	106.9	120.3	110.5	123.0	109.0	17.9
Sept.	113.5	105.9	118.1	109.0	117.0	106.0	22.3
Oct	115.4	106.5	119.7	110.0	122.0	109.0	17.9
Nov	114.0	106.6	119.9	109.5	130.0	198.0	17.1

	Export	Import	Visible belance	Current	Off	Terms	US\$bn
1986							
2nd qtr.	121.9	129.1	-1,608	+146	+765	192.5	19.20
3rd qtr.	122.6	139.0	-2.891	-856	+621	103.5	22.43
4th qtr. 1987	130.5	144.0	-2,725	-989	+785	100.9	21.82
lst qtr.	120.0	138.2	-1,135	+572	+1,164	190.5	27.04
2nd qtr	126.3	140.7	-2,362	-659	+1.033	163.7	34.86
3rd qtr	130.7	151.5	-3.048	-1,146	+942	103.8	34.81
May	124.2	144.8	-1,107	-532	+365	103.8	34.68
June	123.4	129.1	-748	-174	+245	104.4	34.35
July	130.9	147.9	-925	-231	+284	103.1	34.91
Aug.	126.6	155.1	-1,507	-873	+372	163.9	24.36
Sept.	134.0	150.1	-617	+17	+286	164.0	34.81
Oct.	132.4	149.1	-842	-282	+386	104.0	41.48
Nov. Dec.	136.1	158.9	-1,126	-595	+841	103.9	41.28

EXTERNAL TRADE-indices of export and import volume (1980-100); visible balance; current balance (5m); oil balance (£m); terms of trade (1980-100);

	MO X	M1	M3	Back leading Sm	inflow Lin	Cramer. credit? S.m	Page Tate
1986	5.9	30.3	15.4	+6,995	168	+792	10.00
3rd qtr. 4th qtr. 1987	7.9	15.3	14.1	+10,516	2,814	+444	11.00
lst our.	1.9	20.6	20.2	+6,733	1,465	+952	10.00
2nd gtr	3.3	29.7	29.3	+8,554	1,804	+1,033	9.00
3rd gtr 4th gtr	9.1	25.2	21.7		1,211 3,907	+859	10. 9 0 8.50
May	5.5	27.5	32.8	+2,502	521	+294	9.00
June	4.5	30.9	21.9	+3.979	556	+334	9.00
July	7.7	34.5	24.2	+4,530	347	+241	9.00
Aug.	7.1	22.5	21.0	+2,653	667	+206	10.00
Sept.	9.5	19.5	21.4	+4,321	197	+412	10.00
Oct.	6.9	36.7	28.0	+2,972	812	+408	9.50
Nov.	7.1	23.2	21.8	+3,308	1,126	+173	9.00
Dec.				,	1,069		8.50

TATELY A STROME	Indiana -4		/In- 10	PO-1003	haria w	eterio la	hee	-
INFLATION- wholesale pri prices (Jan 1	memore or	ear mage	Canal To	1000	LOCULTURE IN		and.	food.
wholesine bu	CGR O1 MR	BUISCILLEC	produc	re (1900-	TANDITION	in price	O BANK	IUUG
prices (Jan)	1987-100	; Reutera	COMMO	lity index	(Sept	1931 -1	.00);	trade
mediate and until	a of starts	on (1075-1	00)					

	Earn- ings"	Basic metla.	Wheele.	RFF	Poods	Reuters'	Sterling
1996							
1st qtr.	179.1	132.4	143.3	96.5	96.9	1,825	75.1
2nd ctr.	184.0	128.8	145.7	97.8	33. 7	1,714	76.1
Ord qu.	187.4	120.8	148.3	97.9	98.3	1,484	71.9
4th atr.	191.0	127.4	147.4	99.1	98.3	1,608	68.2
1987						-	100
1st our.	192.0	123.8	149,3	100.3	100.5	1,580	69.8
2nd gtr	196.0	128.7	150.9	101.3	101.8	1,598	72.8
Srd qtr	202.0	131.0	151.6	102.1	100.5	1,647	72.7
4th qtr		132.7	153.2	103.2	101.7	1.683	74.9
May	198.1	128.0	151.0	101.9	102.2	1.612	73.3
June	200.0	129.7	161.1	101.9	101.6	1.629	72.6
July	263.1	130.5	151.3	101.8	100.4	1,632	72.8
Aug	201.6	131.3	151.5	102.1	100.7	1,655	72.3
Sept.	201.4	131.1	152.8	102.4	100.4	2,653	73.1
Oct.	208.4	101.0	152.8	102.9	101.1	1,663	73.6
Nov.	206.8	131.6	153.2	103.4	101.0	1,682	75.4
Dec.		135.6	163.5	103.3	102.4	1.707	75.8

CONTRACTS

Transport orders

As part of a group distribution study, Storehouse has, for the first time, awarded transport contracts that have been negotiated centrally, and which cover all trading divisions.

The contracts, worth a total of \$7m, have been awarded to BES and to CHRISTIAN SALVESEN, and will result in sub-

VESEN, and will result in sub-stantial operational savings to each of the Storehouse divisions who previously negotiprovide transport services out of the Mothercare/Wellingborough and Habitat/Wallingford ough and Habitat/Wallingford and Wellingborough distribu-tioo centres, and they will also operate a number of regional transhipment centres for Store-house. Christian Salvesen will provide transport facilities out of the BHS Atherstone distribu-tion centre. The first Storehouse Group transhipment cen-tre, as part of the new contractual arrangements in Scotland, will be operational from February 1, and the remaining regional centres will all be operational by the end of

West End project

BOVIS CONSTRUCTION has won a £4m plus contract to demolish and re-build the Brook Street frontage of Fenwick, a West End fashion store. The store area undergoing

refurbishment comprised three terraced houses which were opened up to increase the store's seiling space. The contract calls for the preservation and restoration of the Victorian facade of one of these houses and the demolition and re-building of the contract of iog of two Georgian style facades, each to a height of six floors, offering increased open plan retail space and new staff rest room amenities

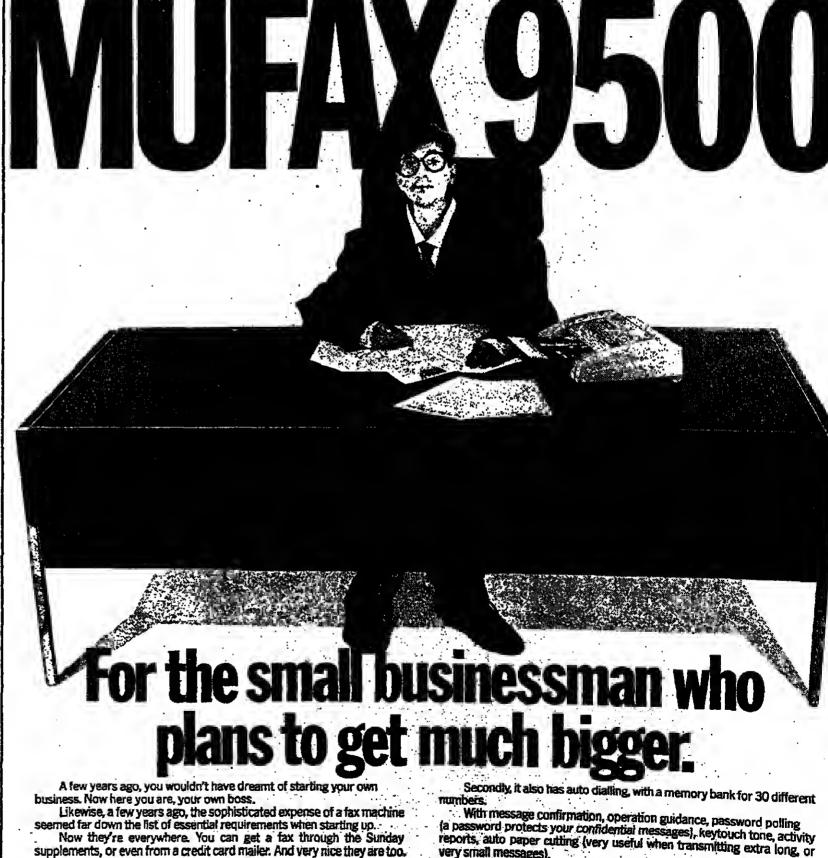
A steel frame will be built to support the ground and four upper floors, matching them to the floor levels in the other parts of the store. New stairs will provide access to the upper loors and new shop fronts will also be installed.

As well as managing the demolition and construction works, Bovis will supervise installation of shop fittings, finshes and services

BIGGS WALL & COMPANY, Arlesey, Bedfordshire, has begun work on the construction of Littleport sewage treatment works, near Ely, Cambridge shire, under a contract worth about \$700,000 awarded by the Anglian Water Authority, Cam bridge division.

Included in the replacement cheme, is an inlet with balance ing tank, two settlement tanks, a 60 metre long oxidation ditch. sludge pumping station and control building. Some difficulties are expected

due to ground conditions peat overlying clay - and initial work will include placing 211 SImplex 450mm diameter driveo casing cast-in-situ con-crete piles, 11/22 metres deep. On completion of the 65-week contract period, the old works will be demolished, covered with excavated material from the new construction, and the area returned to agricultural



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But to this day our runway's full potential has never been used.

At last, however, things are changing.

On January 27th, the final roof panel of Stansted's new air terminal was hoisted into place by the Rt. Hon. Paul Channon M.P., Secretary of State for Transport.

Next, airy glass walls will appear, to enclose a building capable of handling 8 million passengers a year.

Soon the first trains will be gliding into the terminal's own platform after their 40 minute run from London Liverpool Street.

Before very long, you'll be able to fly all over the world from here.

Turning Stansted into one of the world's most up-to-date airports is costing us £300 million. (And not a single penny of it the taxpayer's.)

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NWORTH WATCHING

By Alen Cane

SENIOR executives in UK companies are still struggling to extract useful infor-mation from torrents of computer print-out while sophisticated new methods of presenting management information are largely

neglected. This is the chief conclusion of a survey of the awareness and use of executive information systems. The study was carried ont by the marketing consul-tancy Romtec on behalf of the UK subsidiary of Com-share, a US-based comput-

ing services company.

Romtec questioned 130 finance directors and 59 managing directors of UK companies — the list included Coats Viyella, Allied Lyons and Foseco

Minsep,
Its findings snggested that today senior executives are heavily dependent on computer originated infor-mation to help them manage their businesses. In two thirds of the companies questioned, management already use computers and in the remaining third the intention was strong that they should. The principal need, not surprisingly, was for sales and budgetary performance indicators.

The clear finding was that most managers (75 per cent) believed they got enough information from their systems to manage the busi-ness. The remaining 25 per cent said they received too

Most of those who claimed to be satisfied with the adequacy of their information, however, said their staff sifted out superfluous data from the print-out.

Romtec says: "Our findings clearly point to a business requirement for a system which will provide rapld access to management information."

Software packages are available to do this, but few senior managers know of them. It is the responsibility of data processing managers to rectify this situation, says the study.

THE BRITISH Design Council, based in London, believes that innovation, together with consumer-responsiveness, effective engineering and consistent good design, could offer manufacturers a decisive competitive edge. The com-bination of these four fac-tors has played an impor-tant part in selection of the winners of Britain's 1988 Design Awards announced

today. Ivor Owen, who was recently appointed director of the council and has chaired a number of award panels in the past, believes the system of awards pro-vides an invaluable learning process for industrialists.

When I held positions in industry I encouraged the companies with which I was involved to go in for the awards, even if they had no chance of winning," says Owen, a former director of Thorn-EMI, the UK elec-

tronics group.
Two of the award catego ries, healthcare products and computer software, show how strong is the role played by innovation within

the design process.

The revolution in health technology and the demands of ageing populations have put severe strains on health systems throughout western Europe. The Design Council has given awards to three medical products which not

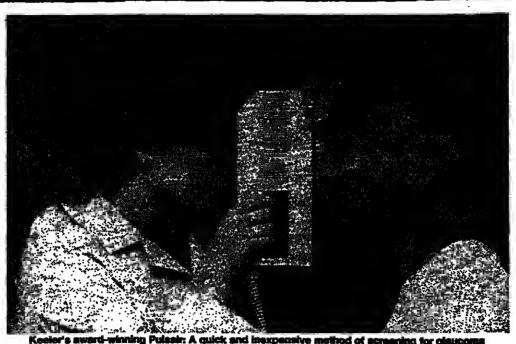
mencal products which not only help to treat patients but also save money.

Keeler, based in Windsor, has developed a quick, inex-pensive and painless method of screening for glaucoma - the second largest cause of preventable blindness in Britain.

Glaucoma is diagnosed by measuring the pressure inside the eye with an instrument called a tonometer. Until the development of the Keeler Pulsair. tonometers elther needed direct contact with the eye or were bulky and required specialists to use them.

Keeler claims that its machine is the first handheld non-contact tonometer. It directs a puff of air at the eye and measures the strength of the puff required to flatten the cornea: this is correlated with the pressure inside the eye.

Some 1,100 people in Britain are registered blind with glaucoma each year. Because the Pulsair is so cheap and easy to use, it should enable the National Health Service to diagnose more cases before a patient's sight is severely



A competitive line to **British inventiveness**

Paul Abrahams reports on innovative winners of Design Awards

damaged. Another award winner in Another award winner in this area, Varlan-TEM based in Sussex, has designed and manufactured a simulator, called Ximatron-C, which locates malignant tumours and then provides radiation treatment machines with precise co-ordinates of the cancer

The company says the simulator can locate a tumour to within 0.5mm. This level of accuracy enables radiographers to give lower radiation doses than with competing machines. The chances of damaging healthy cells are therefore reduced.

The company claims that Ximatron-C increases the chances of a patient making a full recovery and that it saves not only lives but also money. Successful ont-patient treatment is cheaper

than providing hospices.

The simulator has sold particularly well in the US where the legal ramifica-tions of medical mistreatment are more serious than in Enrope. Before the launch of the Ximatron-C series, Varian-TEM had 15 per cent of the world mar-ket. The company is now the world leader for this type of machine, overtaking Philips of the Netherlands. Siemens of West Germany and Toshiba of Japan.

The final winner in the medical equipment section is a wound retractor designed by the Leicester product design company, Jones Garrard, and mann-factured by 3M Health Care

based in Loughborough.

The plastic and polyethylene retractor, the Steri-Tractor, replaces traditional stainless-steel retractors.

The original metal instru-

ments required sterilisation and repacking after use, and ran the risk of being accidentally damaged or discarded. They also needed to be held in place by the surgeon, or by an assistant, which could inhibit access and view during an opera-

The disposable Steri-Tractor has a self-adhesive tail which can be attached in any position with the pre-clse amount of pull required. The surgeon is then left with both hands free, and with unimpeded

access to an incision. The retractor is also made of radiopaque material which allows it to be located on X-ray film.

Awards for computer software were introduced for the first time last year. Ivor Owen admits that it is difficult to compare software systems but believes the exercise is worthwhile because software plays such an important part of

the design process.
In the case of Blyth Soft-ware's Omnis 3 database, the specialist judges said they were particularly impressed by the system's flexibility and ease of oper-ation, as well as the way it exploited tha facilities offered by the microcompu-ter for which it was designed, the Apple Macin-

Omnis 3 enables Macintosh users to organise and manipulate the information stored in the computer. The mannfacturers claim it is equally suitable for first-time computer users and professional programmers. Users can create their own systems, buy a ready-writ-ten specialist program or

commission one for their own use. Once running, the system can easily be changed and data re-organised and re-in-

Blyth Software, which is based in Saxmundham, Suf-folk, has increased its turnover 50 per cent in each of the last four years, and its Omnis 3 system outsells all other database systems for the Macinstosh.

the Macinstosh.

The design education program, Compas Designer, developed by Autographics Software in Northern Ireland, is also easy to use. The product is simed at secondary and tertiary education and needs to be simple if students with little access to computers are able to to computers are able to

achieve results quickly.

The program is a solid modeller which enables students to design three dimendents to design three dimensional shapes on a micro-computer. The user works with a "mouse" drawing device on a "pick, point, press" system, and any mistakes can be easily rectified — an unusual feature in this type of program.

- an unusual restore in this type of program.

It also lets designers know the number of operations needed to create a component and therefore the notional cost. The idea is to encourage students to think about the manufactur-ing implications of their design decisions.

Antographics Software has sold 270 copies of the program to schools and colleges in six months and hopes to expand into the professional market in the

The third winner in the software category, the Air-data flight planning system, can run on a microco ter, plans rontes for air-craft, calculates fuel requirements, and then automatically files the plans with air traffic con-

It, too, is simple to operate. "It needs to be if aero-plane pilots are going to know how to use it," says Ken Jones, the operational director of the Derbyshire company Airdata. The part of the program

estimating fuel consumption is much more accurate than any of its rivals and the company claims this has company claims this has given pilots the confidence to make savings through reduced fuel loadings. The program has been sold to a number of inde-pendent airlines such as

Dan Air, British Midland,

British Island Airways and

Eurocity Express.

Middlesbrough signs up for easier parking

IN MIDDLESBROUGH, Forest City Signs of the UK has installed an integrated car park system aimed at reducing city traffic congestion caused by motorists hunting for spaces and queuing outside car parks that are already full.

The system uses eight

already full.

The system uses eight variable message signs strategically placed round the inner ring road. Vehicle counters at the car parks measure the difference between the number of between the number of vehicles leaving and enter-ing, to obtain the vacant

capacity.
The counters, at one long-stay and four short-stay sites, are connected to the city's traffic computer which ensures signs show appropriate messages such as 'full', 'nearly full' and 'spaces'. The computer checks that its instructions have been carried out by monitoring electrical con-tacts on the signs.

Europe flexes more manufacturing muscle

A REPORT from Frost and Sullivan the US-based tech-nology market research group, predicts that spend-ing by European industry on flexible manufacturing systems (FMS), currently running at about \$630m a year, will rise by 33 per cent each year until 1991, when it will reach \$1.9bn. Flexible manufacturing, to which European industry

began to pay attention from about 1982, is a form of computer-controlled manufacturing and assembly that allows a rapid, low-cost change to be made from one product to another, within a defined size and complexity, without stopping the pro-duction line. The main advantage is that the exact number of a product can be made to fulfil sales demands, eliminating stocks and work in progress. In addition, new products can be brought to market more

quickly.
In FMS, the computer calls on a new program for the whole system for each new part scheduled, ensuring that all the parts move smoothly from one end of

Spain. Everything under the sun.

Edited by Geoffrey Charlish the line to the other. Sensors, robots, tool changers, guided trucks and conveyors keep everything on the move, into and out of the vertex and into and out of the various machine tools or

robotic assembly cells.
Frost and Sullivan's research suggests West Germany will lead FMS market many will lead rms market growth in Europe, taking 35 per cent of the sales value in 1991. France will take 20 per cent, Italy 16 per cent and the UK 15 per cent.

and the UK 15 per cent.

The 274 page report.

Flexible Manufacturing and Assembly Systems in Europe, explains, reviews and analyses the whole subject, and costs \$2,600.

Ferranti moves softly round enemy radar

FERRANTI INSTRUMEN-TATION of Bracknell in the UK has developed a software controlled radar warning receiver for military aircraft. Called Aware-3, the craft. Called Aware-3, the unit gives an unamblguous indication that the aircraft is being scanned by particular kinds of enemy radar.

The receiver can alert the aircraw of very weak signals are the aircraw of very weak signals.

nals from the enemy sur-veillance radar well before that radar is able to detect the aircraft. It uses software control to identify and characterise a hostile radar signal, refer to a library of known signals and assign different levels of priority.

Monte Carlo presents graphics overview

A CONFERENCE and exhibition called Imagina 88 is to be held in Monte Carlo on February S to 5. It will examine the latest developments in computer animation with emphasis on the entertainment industries and the artistic world.

One of the days is devoted to special effects for film and video. The effect of parallel processing (which allows large amounts of computer power to be brought to bear quickly), artificial intelligence and other new techniques are covered in six half-day ses-

CONTACTS: Forest City: UK, 061 969 0441. Frost and Sullivan: London, 730 8438, New York, (212) 233 1060. Fertanti: UK, 0344 424001. Imagina: Monaco,

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Man Service Man Se

charges and line rentals — to 3
per cent below the change in
the retail price index.

Prof Carsberg believes the
formula has been working reasonably well. It has triggered a
12 per cent real cut over four
years in the prices of the services it covers, without allowing BT to make excessive profits and without imposing
excessive price increases on

Thatcher

in move

to divide

MRS MARGARET THATCHER

nurses

By Peter Riddell, Political Editor

the nist

Health Service which she launched on Monday. It was attended by Mr Moore

and management of the NHS.

This is due to be complete

A MAJOR review of the rules governing British Telecom prices was yesterday set in train by the Office of Telecommunications, the industry's regulatory body.

Professor Bryan Careberg, Oftel director general, intends to have a new formula for BT's prices agreed by the end of the year at the latest, so that BT can plan its tariff changes for that the issue can be resolved without referring BT to the Monopolies and Mergers Commission, the mechanism used to sort out disputes between Oftel and BT.

The present formula is due to expire in mid-1989. It has kept BT's annual price increases for its main inland services - call charges and line rentals - to 3 per cent below the change in begin evolutional service increases for its main inland services - call charges and line rentals - to 3 per cent below the change in begin evolutioners.

However, Oftel also thinks the time is ripe for a fundamental review because of changes in both technology and the level of competition which BT faces.

Prof Carsberg yesterday published a lengthy consultation document which discusses prospects not just for BT's prices, but also for its quality of services, efficiency and profitability.

Among the questions raisformula should be extended to individual services; whether price controls should apply to individual services or just as at price controls should apply to individual services or just as at price controls should apply to individual services or just as at price controls should apply to individual services or just as at price controls should apply to individual services or just as at price controls should apply to individual services or just as at price controls should apply to individual services or just as at price controls should apply to individual services or just as at price control should apply to individual services or just as at price control should apply to individual services or just as at price control should apply to individual services or just as at price control should apply to individual services or just as at price c

berg will refer the matter to the

berg will refer the matter to the Monopolies Commission.
Last year, Prof Carsberg said a reference was very likely. Observers though a Monopolies reference might lead to another barrage of bad publicity for BT and could put back the prospects of a sale of the Government's remaining 49 per cent stake in the company.
However, he now believes that prospects for a negotiated

that prospects for a negotiated deal with BT have improved because the company is show-ing itself eager to reach agree-ment without a Monopolies ref-

The thrust of Oftel's door ment is that prices should still be regulated for BT services where there is no effective com-

where there is no effective competition.

Initial reaction in parts of the City of London was that the consolative document was tough on BT. Mr Jack Summerscale, electronics analyst at BZW, said Oftel was leaving BT "between the devil and the deep blue sea," because it either had to see its business taken by competitors or its prices and profitability capped.

However, BT said Oftel's statement was a fair summary Background, Page 11

Background, Page 11

M and S to offer personal finance

BY MAGGIE LIRRY

MARKS AND SPENCER, the UK-based chain etore retailer, is planning to offer personal loans and other services to its 2m Chargecard holders in an expansion of its credit card operanion of its credit card opera-tion. The Chargecard was launched in April 1985 and is expected to break into profit in the financial year beginning April 1988. The move seems set to intensity the already fierce Prime Minister, yesterday sought to divide the Royal Col-lege of Nursing which has a no-strike policy from the other nursing unions which have pro-

competition to lend to indi-viduals led by banks and building societies. M and 8 has held a banking licence since October 1986.

Mr Robert Colvill, manag-

nursing unions which have proposed disruptive action.

After her comments in the House of Commons on Tuesday that any deputations should be seen first by Mr John Moore, the Social Services Secretary, Mrs Thatcher said yesterday that if the RCN still wished to see her after this meeting "I will of course be available."

Her comments came in a leting director of Marks and Spencer Financial Services, the renamed financial ser-Her comments came in a letvices activity, said the new products are "an extension of what we stready do. We sought things consistent with the M and S tradition ter to Mr Trevor Clay, the gen-eral secretary of the RCN, after he had requested a meeting and where we can genuinely offer value added."

he had requested a meeting involving all the nursing unions. Mr Moore is seeing the RCN and other unions separately next week.

However, Mrs Thatcher offered only to see the RCN and she welcomed its reaffirmation. M and S already offers loans to customers buying farniture. However, the new loans will not be restricted to perchases within M and S stores. M and S will also be of its opposition to industrial action which "is why we decided that the pay of nurses should be determined by an independent review body." displaying its credit granting policy in its stores from next month. It says we try Mrs Thatcher yesterday held group of ministers considering the review of the National further credit to someone who is already over-commit-

ted."
M and 8 will test market
personal loans of \$500 to
\$5,000 on 80,000 Chargecard holders by April and if
successful will then offer It was attended by Mr Moore, Mr Tony Newtoo, the Health Minister, Mr Nigel Lawson, Chancellor of the Exchequer, and Mr John Major, the Chief-Secretary to the Treasury.

The meeting lasted an hour and 50 minotes and set the terms of the internal Whitehall review into the administration and management of the NRS.

them to all cardholders. Similarly a card protection scheme, called Card Safe, will be tested from mid-March. A take ny rate of 2 to 3 per cent is expected on Card Safe and slightly less for the loans.
Later in the summer M

and 8 plans to give trial to a legal protection scheme, Legal Line, which will offer 24-hour a day legal advice to telephone callers and insurance cover for legal expenses. This will not cover defence costs in crimcover deceme costs in crim-inal cases, property pur-chases or divorce proceed-ings. Other services will follow.

The maximum annual percentage interest rate on the centage interest rate on the personal loans will be 20.7 per cent, slightly higher than that charged by some banks and building societies. The no-deposit loans will run for 12, 24 or 36 months and will be unsecured. H and S will make a further credit check on cardholders before lending the dholders before lending the

The Card Safe scheme, costing a maximum of £6 a year, will allow members to cancel all their cards through one free telephone 2500 emergency cash any-where in the world.

The Chargecard itself has been redesigned and a validation eyetem is being introduced so that cards intercepted in the post cannot be used fraudulently.

Scicon merger creates largest software house

This is due to be completed by the summer and already various radical proposals from free-market research groups such as the Centre for Policy Studies and the Adam Smith Institute are circulating among ministers.

Mr Robin Cook, Labour's social services spokesman, last night challenged Mr Moore to give more details of the review. He gave a warning that any conclusion from a review conducted behind closed doors would be unlikely "to command sufficient public or professional group, which acquired an initial service in the complete of the purchase price yester day.

Systems Designers, the UK close the purchase price yester day.

BP said that the sale would enable Scient to develop more effectively as part of a dedicated international software group. The company had been servicing only a small part of its internal oeeds — although existing cootractual arrangements between BP and Scient would continue with the new group.

Scient is overed by BP, the oil group.

docted behind closed doors wide.

Scicon is owned by BP, the oil group. With acquired an initial group, which acquired an initial group with over £200m in sales, 40 per cent stake in the early tained reform of the NHS."

Earlier, Labour's national executive committee had rejected a move by hard-left which has yet to be finalised, exvisages that the BP interest will be sold to Systems Designers of the nurses.

Instead, it agreed a compromise calling for more pay for nurses.

Wide.

Scicon is owned by BP, the oil group. The merger will create a company with over £200m in sales, with the larger part contributed to by Scicon. The BP subsidiary made trading profits, before development costs, of around exist of a sold to Systems Designers for cash.

SD will raise the money to finance the purchase via a mixture of debt and new shares. Neither side was willing to dis-

Stand against six-day working threatens second superpit

A PLAN for a second major coal mining project may be cancelled if the National Union of Mineworkers maintains its objection to six-day production.

British Coal plans to spend £135m oo redeveloping the Frances pit in Fife, in the Scottish coalfield, to produce about 2m tomes of coal a year, for the electricity and industrial markets in the mid-1990s.

It would create 1,000 jobs, helping to compensate the Scottish mining community for the jobs lost with the closure of the adjoining Seafield colliery.

But the Frances planning application, which has not yet been tabled, will be for a six-day a week operation, rather than the five-day output pattern which Mr Arthur Scargill, the re-elected miner's union president is pledged to defend.

Unless the National Union of Mineworkers in Scotland agrees to flexible working, it will find itself in the same predicament as the NUM in South Wales, where British Coal is threatenwhere British Coal is threaten-

ing to cancel its plans for a \$290m development at Margam.

While Margam's future has been thrown in doubt because of the NUM's opposition to six day production, it is thought the main pressure behind the corporation'e reassessment is the fall in world coal prices.

Margam'e coking coal is intended to replace coal imported by the steel industry

It is thought the future of the Frances project is less sensitive to world coal prices.

Meanwhile, the uncertainties over Margam mean that one of British Coal's new Midlands "superpits," at Asfordby, Leicestershire, is likely to be the first place to adopt flexible working, which British Coal says is essential to justify the high investment in the latest mining technology.

Officials hope that the UDM, the breakraway miners' union formed during the 1985-86 year-long etrike, will give its consent to flexible working this year.

GEC and **Plessey** hit by fears over **BT** orders

The City of London reacted ner-vously yesterday to fears that the General Electric Company and Plessey, two UK electronic groups which have agreed to merge their telecommunications equipment businesses, may have been dropped by British Telecom in its latest round of public exchange orders. oublic exchange orders.

A decision by BT to drop or

seriously scale down its orders would be a severe blow for both companies, since BT is by far the largest customer of their System X digital public

exchange.

BT has queried the hids put in by GEC and Plessey for the latest tranche of orders. latest tranche of orders.
Yesterday, however, it poured cold water on the idea that the two British companies were entirely out of the race.
BT has been placing four tranches of orders a year for digital exchanges, each for about 600,000-750,000 lines and worth about \$70m-\$90m.
The sale competitor to System.

The sole competitor to System

X is the new System Y exchange made by Thorn Ericsson, the Anglo-Swedish

Thora Ericsson received very few orders in the previous two tranches and was widely believed to be experiencing teething troubles in introducing its exchange into BT'e network. However, Thorn Ericsson has announced that it won orders worth more than \$20m for 226,000 lines in the most recent

The absence of any similar news from Pleasey or GEC prompted speculation that they were running into trouble.

Pleasey shares were marked down 8p at 145p yesterday, los-

ing 5 per cent of their market value amid general volatility among electronics stocks. GEC shares were marked down 2p at

158p. BT is understood to have que ried some of the terms in the GEC-Plessey bid.

It emphased yesterday, however, that the final orders for this tranche had not been set-

It is known to have been wor ried that the GEC-Plessey telecommunications merger would kill the fierce price competition which used to exist between the two companies in exchanges. Lex, Page 18



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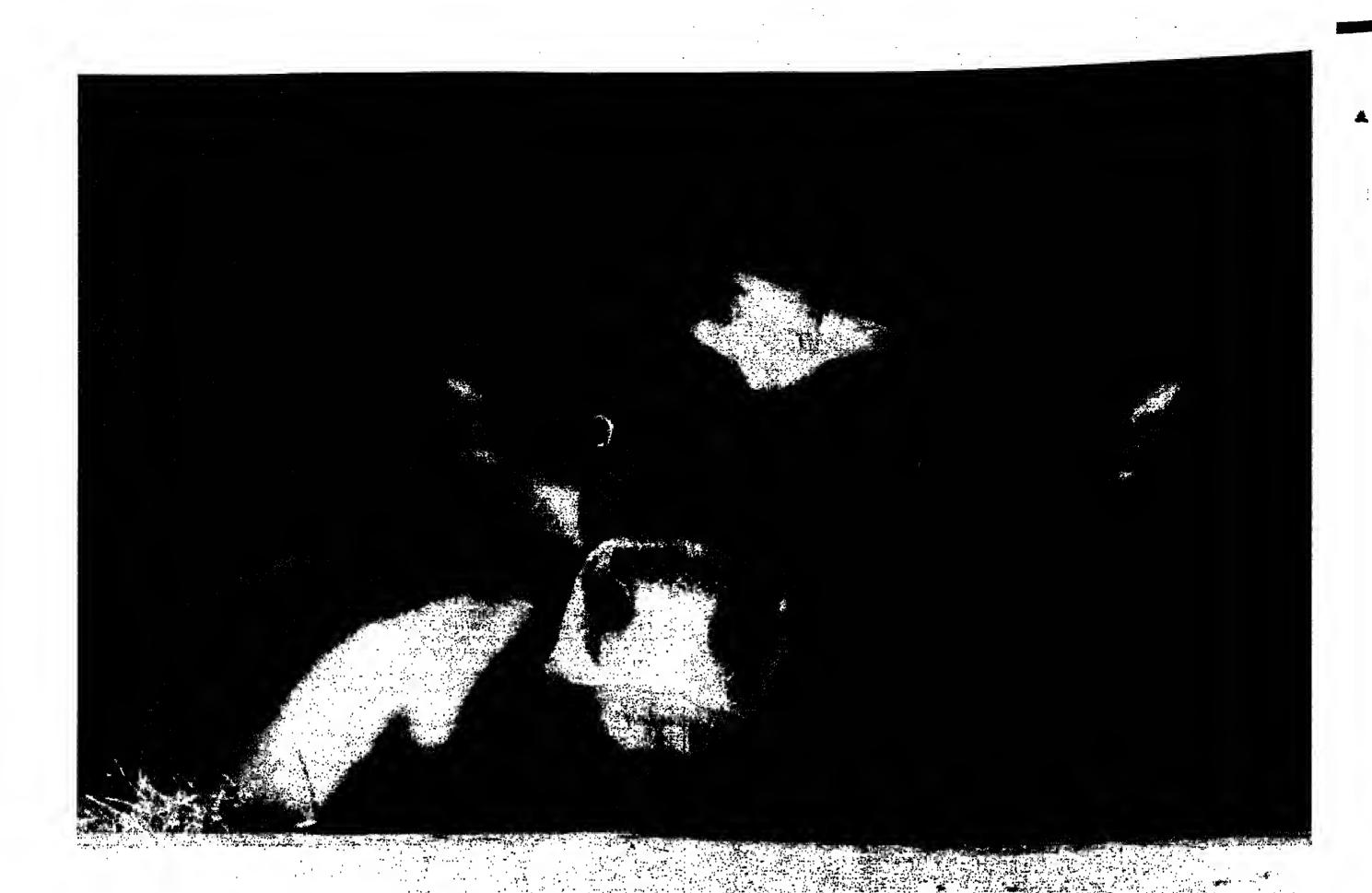
> SIR MICHAEL STRAKER CHAIRMAN

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GRAND METROPO



Unit trust sales rally modestly after crash

NET NEW investment in unit trusts rellied modestly to £154.5m in December after alumping to an outflow of £12.7m in November in the immediate aftermath of the stock market crash. However, December sales remained far below pre-crash levels. In the first nine months of 1987, net sales averaged £660m a month. In spite of the dismal final quarter, 1987 was easily a record year for the unit trust movement.

rigures compiled by the Unit Trust Association show a two-thirds rise in gross sales com-pared with 1986 to £14.6bn. Although there was also a shorn jumn in the walkers of sharp jump in the volume of units cashed in by investors, net sales climbed 21 per cent to £6.3bn.

\$6.3bn.
The value of funds ended the year at \$36.8bn, well down from the September peak of \$50bn, but abead of the \$32.1bn seen at the end of 1986. The figures reflect the investments of 1,137 authorised unit trusts, up from 964 a year

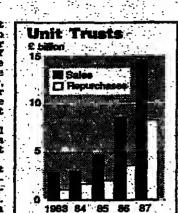
The number of unit holder accounts climbed sharply from 3.41m to 5.05m during the year. and the UTA estimates that those investments are owned by approximately 1.7m different individuals.

TURING industries of the West Midlands have shrugged off the

painful after-offects of reces-sion and are experiencing strong revival, says the com-prehensive regional West Mid-lands Busines Survey, pub-lished wasterdey

lished yesterday.
Of about 1,300 companies

TRADITIONAL MANUFAC- crash's impact.



faith with the industry. "The man in the street has actually been buying rather than selling in the past two months," he

UTA member companies indicate that since the crash inves-tors have been switching out of specialist funds, often overseas, into UK income funds.

Mr Stuttaford said it would take some time for investors' confidence to recover enough to see sales back up to the levels of 1986 and 1987. He would be and the UTA estimates that of 1986 and 1987. He would be those investments are owned by approximately 1.7m different net new investment were as individuals.

Although the crash has hit the movement hard, Mr Bill delayed unit trust pricing rules Stuttsford, UTA chairman, said will be published by the yesterday that most unit hold Department of Trade and ers by far continued to keep Industry within days.

West Midlands Business Sur

vey is the largest independent survey of the regional business climate. It is published twice

yearly by Wolverhampton Poly-technic's Business School in conjunction with Price Water-

The autumn report suggests

house, accountants.

Of about 1,300 companies responding to its questionnaires on this year's business conditions, 59 per cent said they expected them to improve, 34 per cent expected them to improve, 34 per cent expected them to stay prospects, with many working the same and 5 per cent expected them to worsen, suggesting that the region's business confidence level is higher than nationally.

The autumn report suggests that the region's traditional metal manufacturing and engineering businesses are particularly optimistic about growth prospects, with many working them to worsen, suggesting the autumn report suggests that the region's traditional metal manufacturing and engineering businesses are particularly optimistic about growth prospects, with many working the autumn report suggests that the region's traditional metal manufacturing and engineering businesses are particularly optimistic about growth prospects, with many working the same and 5 per cent expected them to stay prospects, with many working the same and 5 per cent expected them to stay prospects, with many working the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and 5 per cent expected them to worsen, suggesting the same and

Power station incentive

The court reserved judgment West Midlands 'is reviving strongly'

if the decision stands it might oblige Guinness to pay millions of pounds in compensation to former Distillers shareholders.

pensation, it could do so When the panel considered the consequences of its concert party decision.

The judges gave no indication when they would announce their decision.

Judgment reserved in **Distillers**

shares case

THE POSSIBILITY that criminal charges in the Guinness affair related to events surrounding related to events surrounding an alleged concert party purchase of Distillers shares the City takeover code. The Pipetec Letter involving Guinness was raised in the High Court yesterday.

Lord Justice Watkins said the court could not close its eyes to the fact that serious charges share in concert with either rivolving very large sums of money had been brought tagainst a number of men.

Many of the alleged offences were said to have been committed about the time the concert party was alleged to have been formed in April 1986, the judge said.

The Pipetec Letter

The panel decided Guinness shares in concert with either Pipetec, a Swiss company, or the fact that serious charges believed to be Pipetec's parent.

The pinetel Letter

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The principal evidence of that was a letter dated April 18, 1986, written by Pipetec to Mr Thomas Ward, then a Guinness shares in concert with either Pipetec, a Swiss company, or the panel believed to be Pipetec's parent.

The principal evidence of that was a letter dated April 18, 1986, written by Pipetec to Mr Thomas Ward, then a Guinness shares in concert with either pipetec, a Swiss company, or the fact that benefit to be principal evidence of that was a letter dated April 18, 1986, written by Pipetec to Mr Thomas Ward, then a Guinness shares in concert with either pipetec, a Swiss comp

Mr Boger Buckley, QC, for the Takeover Panel, said none of the charges referred to the concert party purchase.

Lord Justice Watkins said he thought it impossible to tell whether or not they did.

Mr David Oliver, QC, for Guinness, said one of the charges against Mr Ernest Saunders, the former Guinness chief executive, alleged a compiracy to create a false market in Guinness shares.

There had been large num-bers of purchases of Guinness shares around the time of the concert party purchase. It was conceivable that any of them might form the subject of crimi-nal proceedings alleging the creation of a false market.

on Guinness's claim for a declaration that the panel acted unfairly and unlawfully in deciding last September that Guinness acted in concert, in breach of the City takeover code in the respect of 10 fer. code, in the purchase of 10.6m Distillers shares at a price higher than Guinness's alterna-tive cash offer to Distillers

Mr Buckley said if Guinness wanted to argue that its former advisers or others should be made to contribute to the com-

Mr Buckley agreed with Lord Justice Watkins that this was a

Raymond Hughes looks at documents concerning the Takeover Panel

Hearing reveals more of Guinness jigsaw

THE HIGH COURT was presented with a stream of hitherto undisclosed evidence about various aspects of the Guinness affair as Guinness challenged the Takeover Panel's conclusion that the company was involved in a concert party purchase of Distillers shares that breached the City takeover code.

The Pipetec Letter
The panel decided Guinness had bought 10.6m Distillers shares in concert with either

Thomas Ward, then a Guinness director, confirming that the Distillers shares had been purchased "npon instructions received from yourself".

The letter went on to refer to "undertakings" by Guinness to pay Pipetec a £47,250 "up-front arrangement fee" and to repurchase the shares from Pipetec at the original purchase price, plus commission, fees and other costs and expenses. costs and expenses.

The court saw a duplicate of

the Pipetec letter, apparently bearing Mr Ward's signature, confirming Guinness'e accep-tance of the arrangements. Mr Thomas Ward

Mr Thomas Ward
The Pipetec letter provoked
some colourful comments about
Mr Ward. A Guinness solicitor,
Mr Edward Walker-Armott, was
said to have told the panel:
"Any document which is connected with Tom Ward must be viewed with some suspicion" and that "Tom Ward has a penchant for decoration and con-

cealment".

Mr David Oliver, QC, for Guinness, speculated that Mr Ward might have been "on a jolly of his own" without Guinness's authority.

In its formal written submission to the panel Guinness said: "Mr Ward is not, in the view of Guinness, wholly trustworthy, and has shown a readiness to decorate transactious and

decorate transactious and clothe an underlying reality by facade or sham".

In its decision the panel observed that "it is not suggested by Guinness that Mr Ward would have been scrupulous to avoid committing a breach of the Code". Another Roux Letter

Mr Roger Seelig, then with Morgan Grenfell, at that time Guinness's financial adviser, was asked by the panel for written assurances from Guin-ness that there were no arrangements or deals between Guinness and Pipetec.



Thomas Ward: "a penchant for Olivier Roux: signed letter decoration" "drafted by Freshfields"

had made to Cazenove, which had been acting in the pur-Mr Seelig said he would be happy for Guinness to give such an assurance end, the day before the Pipetec letter was written, Mr Olivier Roux, then Guinness's finance director, wrote to the panel that Guinness had not been involved in the purchase and had made no dimensial awaysaments with According to Gulnness, Cazenove had been "undar-standably nervous" that Bank Len, which was funding the cash purchase, would not come up with the necessary £75.6m financial arrangements with the purchaser with respect to the shares.

in time.
In the event, Bank Leu provided the money, so Guinness's loan became surplus to requirements, was banked overnight, and returned the following day.

Who will buy...?

Mr Seelig save evidence to the shares.

The day after the letter was read to the court, it was revealed that last August Mr Roux's solicitors, Denton Hall Burgin & Warrens, had written to the panel about it.

"So far as Mr Roux recalls, the letter in queetlon was drafted by Freshfields who carried the main responsibility for

Mr Seelig gave evidence to the panel that when the shares were put up for sale by War-burg investment Management, Mr Mayhew had telephoned and told him to contact Guinness and stress that if Guinness was "Mr Roux believes that Anthony Salz of that firm gave him the letter to algn. Mr Houx made no inquiries as to the

and stress that it Guinness was able to find a purchaser it must supply the money by 3pm that day and that there should be "no messing around".

Mr Mayhew'e evidence was that Mr Seelig had rung him back to say that a Mr Baumann, legal officer of Bank Leu, would buy the shares. rould buy the shares.
The evidence to the panel,

however, contained different versions of Mr Mayhew's con-versations that day with Bank Leu. According to Mr Mayhew, Bank Leu told him It was buying the shares for one of its clients. According to the bank it told Mr Mayhew it was buying for Pipetec, one of its subsid-The suction

Evidence of an auction of the shares was given to the panel by Warburg. The first bld -660p a share - came from Rowe & Pitman, a broker bidding for ouly involvement with the Argyll Guinness's rival in the share purchase was a loan it battle for Distillers.



That was topped by one of 700p by Mr Maybew. Argyll then upped its bid to 705p, but for only 2m of the sharee. Within an hour came Mr Mayhew's offer of 705p for the whole block.

Spurious' documents
The court was told that Guinhad uncovered documents transactione connected with the Distillers takeover which it claimed were "spuri-

which it claimed were spurious" and "fictitious".

Mr Sean Dowling, a Guinness director, who had said that one of the company'e difficulties was that its former advisers were being "hostile", had told the panel that Guinness was aware of "a number of transactions that were decorated after

He said that documentation supporting some of the "notori-ous" \$25m in fees Guinnees paid out after the takeover - in connection with an alleged share support operation - had been rewritten in November, 1986. (That was the month before Trade sod Industry Department inspectors were appointed to investigate Guin-

Of a payment to Zentralspar-kase, a Viennese bank, he said: "The arrangement took place in May or June but the paperwork was rewritten and presented in

And of payments to Cifco, a Swiss company, he said: "Guin-ness has admissions that all the paperwork surrounding the purposes of the payments made were subsequently changed in November." Of a £5.2m payment made to Mr Ward, via a Jersey com-pany, Marketing & Acquisition

Consultants, Mr Dowling said "a false trail was laid by Ward" and referred to "over 300 trans-actions" which "took accoun-tants to investigate". Other deals Mr Dowling'e evidence also included details of copy docu-ments obtained from Bank Leu

ments obtained from Bank Leu last January.

One was a letter, dated April 16, 1986, (two days before the Pipetec letter) from Bryton, said by Bank Leu to be its wholly owned subsidiary, to Mr Ward at Guinness, and counterproduced by him is a marker straighted. signed by him in a manner simi-lar to the Pipetec letter.

lar to the Pipetec letter.

The Bryton letter, said Mr
Dowling, "purported to confirm
a telex agreement of the 15th
April and indicated that Bryton
would upon 'instructions
received from yourself or Mr
(sic) Jack Lyons or Mr Tony
Lyons' buy Guinness shares up
to an aggregate value of \$50m".

There had followed, Mr Dowling's evidence went on, a pur-

ing's evidence went on, a pur-ported undertaking by Guinness to pay an up-front fee and to repurchase the shares.

Another letter dated June 2, 1986, was from Bryton to Mr Roux, confirming the purchase by Bryton of 23.63m Guinness shares. The letter contained, Mr Dowling said, an undertaking by Guinness to repurchase the shares on a formula similar to that in the other Bryton letter and the Pipetec letter.

Another document concerned a £50m deposit with Bank Leu in Luxembourg in June, 1986, by G & C Moore, a wholly owned subsidiary of Guinness—the directors of which, the court was told, were Mr Ernest Saunders, Guinnese's former chief executive, and Mr Roux.

The Bank Leu letter Last January, the court was told, Bank Len wrote to non-executive directors of Guinness that "It would appear that vari-ous arrangements entered into by Guinness during and after its successful bid for Distillers may have been carried through without full disclosure either to the relevant regulatory authority or, in certain cases, to the board of Guinness".

The letter referred to "letter agreements" under which Bank Leu subsidiaries agreed to purchase Guinness shares up to the value of \$50m and confirmed

value of \$50m and confirmed the purchase of Distillers shares for £75.6m. "Guinness, for its part, agreed to repurchase these shares within 60 days."

The documents setting up

those arrangements "were signed variously by Olivier Roux and Tom Ward," wrote Bank Leu.

BAA chief disputes need for runway

dence level is higher than the automotive industry's outlook. It says that in the previlook it says that it says that it says that in the previlook it says that it aided design.

West Midlands Business Sur1987. Wolver-

However, the West Midlands survey was made last autumn keting Research Centre, and its authors say it takes little account of the stock market hampton WV3 9DX. £25. of BAA, the privatised former British Airports Authority, said yesterday: There is no need at this precise time to develop another runway to serve the London area.

"Runway capacity in the south-east is likely to be ada-quate until the end of the century. When we think another runway for London is necessary THE GOVERNMENT has given desire to encourage small-scale the go-shead for the greater use private concerns, for which gas re shall not hesitate to say so". private concerns, for which gas is the preferred fuel.

A SHARP difference of opinion has emerged on the need for new runway capacity in southeast England.

Sir Norman Payne, chairman

His comments contrast with considered now.

Sir Norman was speaking at the topping out ceremony for In December, Mr Christopher

Tugendhat, chairman of the Loudon's third sirport at

Civil Aviation Authority and the London Bunway Utilisation Committee, said the committee believed the Government should urgently consider extra there to 15m passengers a year,

ried the main responsibility for

accuracy of its contents and assumed that Mr Salz would

heve first cleared it both with Morgan Grenfell and Cazenove

[a Guinness broker]", wrote

Later still the court was

shown a draft of the Ronx let-ter on which Mr Salz had writ-

ten: "Also read and spproved by Tom Ward, Anthony Forbes and David Msyhew [both of Cazenove] and Roger Seelig."

Mr Forbes and Mr Mayhew, however, gave evidence to the panel that they could not recol-lect seeing or being read the

Guinness's case is that its

The Guinness loan

on all matters.

unications with the panel

airport capacity to serve the London ares.

Mr Tugendhat told airline representatives last week that extra capacity would be needed in the late 1990s and beyond, and that the impresentation about the company of BCall and Heathrow after BA's take-

Reforms 'have cut tax bill by £12bn'

Mr Peter Morrison, Minister of State for Energy, yesterday announced that small power stations of below 10 megawatts were now free to burn gas or oil without seeking permission from the Government.

The announcement has been that the Government has been that the forthcoming that the forthcoming the seek permission from the Covernment has been that to seek permission from the Covernment has been that the forthcoming the covernment has been that the covernment has been that the forthcoming the covernment with the forthcoming the covernment has been the covernment has been that the covernment when the covernment with the covernment with the covernment with the covernment without the cov

BRITISH wage and salary earners have paid £11.73bn less in
tax because of changes to the
tax system since the Government came into office in 1979,
the latest official figures show.
Mr Norman Lamont, Financial
Secretary to the Treasury, said
fin a Commons written answer
changes. By comparison. Mr papers and periodicale would

Carsberg openminded on need for change

prompted by the forthcoming Energy Department. For gas-privatisation of the electricity fired stations, that also covered industry and the Government's the gas supply arrangements. OFTEL REVIEW OF BT PRICES

THE FIRST big review of the regulate utilities than a control rules governing one of Britain's on rate of return, the method newly privatised utilities was launched yesterday by the office of Telecommunications, the intentive for the utility to cut the industry's regulatory costs.

BY MAURICE SANUELSON

of gas in power stations, in spite of tight restrictions laid

down by the European Commu-

nity. Mr Peter Morrison, Minister

watchdog.
The consultative exercise initiated by Professor Bryan Cars-berg, Oftel's director general, focuses on the price controls to be applied to British Telecom

important as they are to busi-nesses and households. It will nesses and households. It will also shape the efficiency, quality of service and profitability of the huge company, at Oftel's consultative document spells out.

Moreover, the public's opin-lation to remove cross-subsi-

out. Moreover, the public's opinlon of BT, not over-enthusiastic at present, and hence of the at present, and hence of the benefits of privatisation in general will be infinenced by whether Oftel judges the next set of controls correctly.

Prof Carsberg emphasises that he is openminded about the replacement for the present formula, which obliges BT to be a set of connection charges, which have

keep its annual price changes to keep its annual price changes to 3 per cent below the retail price index for a "basket" of its main inland services — local and loog-distance calls and line rentals. "I do want to hear from people about this," he insists.

Oftel's 102-paragraph consultation paper indicates o firm preference on only one issue: 8 tion from Mercury, BT's netcap on prices is a better way to work rival.

Gas burning would also be encouraged in much bigger schemes. Mr Morrison said pro-

once the present set runs out in the middle of next year.

But the answer to that question will bave a profound impact not just on BT's prices—important as they are to busing the pricing increase and households. It will

dies: bringing those services into the basket would mean

Lessed line rentals and inter-national calls might also be included, partly because BT still dominates both, as might connection charges, which have risen by 35 per cent since 1984.

On the other hand, Prof Carsberg says too large 2 basket may offer BT too much flexibil-



Bryan Carsberg: careful to

• What figure should control
BT's prices?
The present formula, RPI
minus 3, is based on the expectation that BT can cut its real
unit costs by 3 per cent each
year. Prof Carsberg is canvassing views on what figure should
be the new unit cost reduction
assumption — if a similar formula is used in future.

Several factors bear on the
decision. One is BT's rate of
prductivity improvement,
which has been running at 2-3

Oftel believes that only a limited number of highly important quality targets.

Oftel believes that only a limited number of highly important quality targets.

Oftel believes that only a limited number of highly important quality targets.

delays in repairing faults or
installing new lines, could be
treated thus. For every day BT
delayed beyond its target, its
allowable price increases could
be reduced by a set amount.

An alternative approach, of
more benefit to consumers suffering poor service, would be to
make BT contractually liable
for meeting service dates.

Should individual services be
controlled?

per cent a year. Another is the rate of call growth; high growth duced on individual services makes it easier for BT to cut either instead of or in addition

Prof Carsberg suggests that separate allowance for such factors could be built into the pricing formula. For example, if GDP growth, a key reason for growth in calls, ootstripped expected levels, then the pricing formula could be tightened.

offel has also to decide what is a reasonable rate of return for BT, since the pricing formula will be set to stop BT making excess profits. In 1985, Oftel concluded that BTs rate of return, then 19.2 per cent, was reasonable but lest year it was reasonable, but last year it crept up to 21.4 per cent.

 Should quality of service be built into the pricing formula?
 One way of putting pressure on BT to improve quality of service would be to tighten its price controls if it failed to reach quality targets.

either instead of or in addition

Prof Carsberg says the case for individual controls is stron-ger now that BT has adjusted most of its charges to reflect costs. On the other hand, indi-vidual controls have the disadexpected levels, then the pric-ng formula could be tightened. A particular difficulty is the Oftel has also to decide what mitment, which runs out next year, not to increase domestic line rentals by more than 2 per cent above RPL BT still loses money oo the business, but keeping line rentals low encour-ages people without a phone to get one.
Should the present five-year

period of the formula change? Prof Carsberg thinks that more than five years would be too long, because Oftel would probably have to seek a revi-sion of the formula before it expired. Less than three years, by contrast, would be too short, beceuse consideration of its successor would begin almost as sooo as it was settled. Other issues discussed by Ofter are whether BT should be

able to carry over price increases from one year to another, and whether a special tariff should be introduced for people on low incomes to encourage them to get a phone. The Regulation of British Telecom's Prices. Oftel, Atlantic House, Holborn Viaduct, Lon-don EGIN 2HQ. Free.

Lawson 'likely to be cautious over Budget' By Simon Holberton

THE UNCERTAINTIES surrounding the present state of the economy are likely to make Mr Nigel Lawson, the Chancellor, adopt a can-tions stance in framing his March 15 Budget, according to Phillips and Drew, the large UK securities com-

there will be a \$2bn publicsector borrowing require-ment surplus this financial year. It forecasts that Mr Lawson will set the PSBR at zero and that tax cuts of \$3% ba could be afforded. That would represent a modest tightening of fiscal policy, allowing for the position of the economy in the present economic cycle,

Phillips and Drew believes

The securities house says in its February economic forecast that it is still too early to be sure whether the UK economy will elow of its own accord.

City offered new leased lines service

By David Thomas

BRITISH TELECOM officially launched a new \$70m network yesterday designed to improve leased line services in the City.

The eervice, Flexible Access System, uses fibreoptic technology, which improves call quality, speed and reliability. Since this technology is also more efficient, the network will probcient, the network will prob-ably cost heavy users less. Initially the network will apply only to leased lines, widely used by businesses for intensive voice and data traffic. Costomers oo the network will be able to get new lines and change their pattern of use much more quickly than at present About 11 customers of

BT's existing service for dealers - including Nomura, Merrill Lynch, the Unioo Back of Switzerland and Samuel Montagu - already use the network.

use the network.

BT expects another 90 to be connected by the spring. The company bopes the number will rise to about 400 by May 1989.

It has already announced plans to extend the network to Londoo Docklands at a cost of £30m and bopes similar networks will go into big cities soch as Birmingham and Manchester over the pert year.

Nissan increases annual pre-tax profits by 41.5% BY KEVIN DONE, MOTOR INDUSTRY CORRESPONDENT

sole concession in the UK for although some have replaced importing and distributing Nis- existing dealers. There was a

Nissan UK is controlled by Mr ers, but more than 52 per cent Octav Botnar, 73, chairman and of the volume of Nissan vehicle managing director, through sales in the UK now goes European Motor Vehicles Cor-poration, a holding company controlled dealerships.

from Nissan Motor's production plant in north-east England, which is expected to produce about 50,000 cars this year, rising to a planned 100,000 units in 1991.

amounts to more than £200m Mr Botner said the company plus an additional operating had the aim of selling 180,000-

NISSAN UK, the privately more than 100 new dealerships owned company that has the in the past three years. importing and distributing Nissan vehicles, increased its pretax profits by 41.5 per cent to
\$100m in the financial year to
the end of July 1987. That compared with \$70.68m a year earlier.
The company's turnover rose
by 28 per cent to \$858.8m from
\$2670.5m.
Nissan IK is controlled by Mr.

Substantial dealers. There was a net gain of 30 dealers in 1987.
Through its subsidiary Nissan Retail, it directly owns 45 dealerships, while a further 80 development group ambitious dealer development programme.

At the end of 1987 Nissan UK also had 325 independent dealers.

registered in Panama.

In pro forma accounts still to lt has been rapidly expanding be filed with the UK anthorities dealer network to cope with the rising volume of output half its pre-tax profits come from the distribution of vehi-

cles and spares. which is expected to produce about 50,000 cars this year, risabout 50,000 cars this year, risa The company has established pared with 114,243 in 1987.

Maxwell news plant plan BY RALPH ATKINS

were announced yesterday by Mr Robert Maxwell, the pub-The centre will be equipped

with six modern colonr presses and machinery for inserting pre-printed colour material enhancing Mirror newspapers' competitiveness in the fiarce tabloid market.
British Newspaper Printing
Corporation, a subsidiary of
Maxwell Communications Cor-

poration, said the investment would create at least 500 jobs in Oldham. its centre will also would create at least 500 jobs in Oldham. its centre will also be used for colour printing on behalf of BNPC's customers.

BNPC's existing plant in Withy Grove, Manchester,

PLANS TO build a £30m news-paper printing complex in Old-ham for north England editions to operate but will no longer of Mirror Group newspapers, print Mirror Group newspapers.

The presses for the Oldham ceotre, which is expected to open in 1989, are the first to be installed by BNPC out of 21 ordered from Germany in 1985. The others are to be installed at plants in London, Watford and other plants around the UK, although details have not yet been finalised.

Mr Robert Maxwell said the agreement met Oldham's need for modern investment and

Science think tank head chosen BY DAVID FISHLOCK, SCIENCE EDITOR

DR BOB WHELAN, marketing director of PA Technology in Cambridge, has been appointed chief executive of the Centre

Dr Whelan, who takes up his post at the Manchester Univer-sity-based venture on Monday, has a broad range of experience

Technology.

CEST is a new think tank to which 20 big science-based British companies — including iCl, Roils-Royce and Pilkington — have subscribed £5m and tha British Government another

CENT is a new think tank to west midustrial scientist. He has worked at the Lucas research centre at Solihull, west Midlands, and at Monish Royce and Pilkington — in the US and Belgium, as well as in Britain, and spent 15 years with PA Technology.

Observer, Page 25

Textiles sector 'short of recruits for management'

TEXTILE COMPANIES that small and medium-sized compastripped down their manage-ment during the recession are nepotism would block their ment during the recession are having difficulty in finding recruits to bridge the widening generation gap in their managers' ranks, according to the Cotton and Allied Textiles Ecoton are Newsign as show that the second stanked second search are second search as the second search are second search as the second search as the second search are second search as the s nomic Development Committee.

Many businesses, run by senlor people in their late 50s, with the next management level made up of people in their late 20s or early 30s, are finding it difficult to plan for succession.

made up of people in their late
20s or early 30s, are finding it
difficult to plan for succession,
the committee says in a report
published yesterday.

Attempts to hire experienced
executives from other companies have shown up a general

nies have shown up a general shortage of technical expertise. Few companies have done rew companies have done much to tap the unrecognised or underrated potential of shopfloor workers, and the committee's researches showed in some businesses that people of sufficiently high calibre for

manufacturers, because of the training a year. lack of promotion prospects Management

The sector's poor image also hampered recruitment. A survey of almost 200 undergraduates showed that textiles was ranked seventh in a list of 10 preferred career industries. Only iron and steel, shipbuilding and coal mining were rated

few put much effort into management education.

Executives said slimmed-down management teams had little time to think about such strategic issues. They knew lit-tle about the type of manage-ment training available, could

of sufficiently high calibre for internal promotion did not seem to exist.

Even suitable youngsters were hard to find. Some companies had traditionally recruited from local sixth forms. "They still sought to do this, but were finding the supply of sufficiently talented or interested sixth formers was drying up."

The best graduates were not interested in joining the sector, which includes many small manufacturers, because of the

Management development and education. NEDO Books, and job mobility.

Because of the large number of family-run operations among don SWIP 4QX. 53.

Branson signs holiday deal with Intourist

BY CHARLES HODGSON IN MOSCOW

VIRGIN HOLIDAYS, the travel ect, under which Virgin has arm of Mr Richard Branson's exclusive use of a hotel in Virgin group, yesterday signed Yalta, on the Black Sea. The a co-operation agreement with Intourist, the Soviet state tour-

ism company, to run package holidays to the Soviet Union. The agreement, signed in days would run a two-week Moscow by Mr Branson and Mr package for \$500, with the first Igor Konovalov, chairman of week in Moscow and Leningrad the intourist board, is the first of its kind between British and

hotel is called the Oreanda, which coincidentally is a Slav

word for Virgin.
Mr Branson said Virgin Holi-

and the second in Yalta. Virgin expected to sell between 4,000 and 5,000 holi-Soviet travel companies.

Virgin Holidays has put up half the £2m cost of the proj-double that in 1989.

between 4,000 and 5,000 holidays this year, and hoped to double that in 1989.

Sounds and silence win design awards

By Feona McEwan

AN ELECTRIC guitar with the range of a full orchestra and a quiet road-sweeping machine are among prod-ncts that have won British Deelgn awards for 22 com-

The awards, hestowed annually hy the Design Council, cover a wide range of product eategories including engineering, medical and motor inductry equipment, consumer goods and computer software. The gultar synthesiser, which sells to pop musicians such as Kate Bush and Tears for Fears, is made by the Stepp. of London.

The etreet sweeper, made by Laboraton Engineering of

by Johnston Engineering of Dorking, Surrey, was nominated for a much reduced noise level. The improvement has won it 80 per cent of the UK market and growing nrders from environmentally correlated.

mentally conscious markets un the continent. Many awards heve gone to small companies. Team to small cumpanies. Team Services International, of Rothwell, Northante, has won its second important design award in 12 months for n eelf-loading microdumper, the Mack-Truk. The team's Toe-hoe exeavator won e BBC Design award. Airdata, of Matiock, Derbyshire, founded by two airline pilots 18 months ago, has been selected for its microcomputer-based flight planning eyetem — after

planning eyetem - after being entered for the nward by its bank.

Other winners include the newly launehed Ford Sierra BS Coswarth saper car with racetrack capabilities, from Ford Motor Company and Cosworth Engineering, and easy-to-operate software from Blyth Software, nf Suffolk, the nnly Enropeen software hunge quoted nn the New York Stock Exchange.

Another is a device for

screening glencome by Kee-ler, of Windsor.

The winning designs will be exhibited in stages at the Lloyd's of London building hetween Fehrnary 29 and March 25.

The awards will be presented in April by the Duke of Edinburgh. Awards background, page 12; Winning pagodas, page 24 Alan Cane on the problem of changing computer systems to meet new regulations

City firms race against rule book deadline

AN AIR of deja vu is hanging over the City these days as broking firms reflect on how their ability to track their deality to track their deality to track their deality to track their dealing positions against capital show capital adequacy at all times and submit fortnightly reports.

More than a year on, and with millions of pounds spent on dealing and back-office systems, the City seems faced yet again with a desperate race againet the clock to develop computer systems vital to its existence — this time to ensure that firms can observe the letter of The Securities Association were sympathetic to the difficulties but could not expect the speed of the slow-est.

Mr Young said: "We are doing what, we can to help and we do not expect the earth from houses which are genuinely try-

expected to do it again."

This time, the race is to for individual firms to be presented in place by the end of April which will demonstrate that the firm can comply with the TSA rules on, among other areas, capital adequacy, and so justify authorisation to trade.

Mr John Young, chief executive of The Securities Association, agreed yeaterday thet firms faced a tough timetable.

knowledge for sufficient time for individual firms to be prepared to meet the dealine.

On the other hand, compliance of ficers and firms' technology chiefs are complaining that the rules have not yet been adequately defined to allow them to start work on effective systems and that the timescale is ludicrously short.

One director of information technology said this week:

ter of The Securities Association rule book.
Old hands recall wearily the
last few months hefore Big
Bang when for many firms it
was touch and go whether they
would be able to pass the Stock
Exchange's test of technological
fitness to trade.
One said this week: "The daner of having achieved it once ger of having achieved it once investments Board and The is that you will be expected to Securities Association insist do it again — and here we are, that the rules have been public expected to do it again."

knowledge for sufficient time



John Young: "nn point in. asking the impossible"

"There is every opportunity that this deadline will not be met."

Inevitably, perhaps, the truth seems to lie somewhere in between. The general shape of the rules has been known for several months. However, a Mr. Pefer Report to managing different several months. However, as Mr Peter Bennett, managing direc-tor of FiCS, the clearing firm associated with Hoare Govett, pointed out: "We expect to be ready to meet the deadline, but our major problem is getting clear and positive definitions of the rules."

That is the biggest complaint. The Securities Association rule book is massive, detailed and open to, it seems, substantial interpretation and ambiguity. Much of the present wordings surround the question of how to treat unallocated client funds - so called "free money."

Mr John Simmonds, adminis-Mr John Simmonds, administration partner at James Capel, and ehairman of the Stock Exchange Management Association, which represents the back office (accounting) specialists in City firms, says: "We are all extremely anxious about the correct way to interpret the rule book.

"It is a new game that we have not yet learned to play and it will involve a hig rewrite of our computer systems. It is not a matter of simply tinkering around the edges."

The accountancy firm Touche Ross yesterday estimated that the cost to the securities indus-try of modifying its systems to meet the Financial Services Act's requirements might be in the region of £300m.

The general view is that while everybody will have difficulty in making adequate modifications to their systems in time, it is the smaller, country firms that will suffer most.

For companies that have not yet started to modify their systems or build new ones, the possibility of meeting the April deadline looks bleak.

"Anybody starting now has had it." according to Dr Charles Repton of Logics, a systems house with special expertise in financial markets

Inancial markets

ICL the (IK's only mainframe computer manufacturer, has devised a system based on a high-speed memory scarching technology of its own invention (the Content Addressable File Store), which it claims will accept information from a number of diverse computer eystems and print out reports in the format required by the rules. Firms that have examined the device think it is on the right lines.

However, even ready-made solutions of the ICL variety require time to install and the deadline is only three months away. If firms find themselves unable to meet the deadline, the feeling is that common sense. feeling is that common sense will prevail in preference to mayhem in the markets.

However, whether the firms or the regulators are in the right, it seems a pity thet nei-ther learned anything from the Big Bang experience.

GPs urged to help smokers give up

GENERAL PRACTITIONERS are, they should be advised on were urged by the British Medical Association yesterday to take a more active role in helping smokers to kick their habit.

A booklet called Help Your Patient, published by the association and the Imperial Cancer Research Fund, claims that about six killed on the roads and 250 will be killed by tobactory the same transfer of the says that among an average t,000 young men who smoke cigarettes regularly, about one will be murdered, and 250 will be killed by tobactory the says that among an average t,000 young men who smoke cigarettes regularly, about one will be murdered, and 250 will be killed by tobactory the says that among an average t,000 young men who smoke cigarettes regularly, about one will be murdered, and 250 will be killed by tobactory the says that among an average t,000 young men who smoke cigarettes regularly.

from smoking.

Dr John Havard, BMA Secretary, said: "We want to stop this appalling waste of life because it is preventable. With appropriate guidelines, GPs can be effective in stopping people impossible to stop smoking."

Information in the booklet is

impossible to stop smoking.
Information in the booklet is According to the BMA, a study of GPs giving simple giving up smoking which was advice to patients resulted in 5 per cent of their patients not smoking a year later.

Intermation in the worker is based on recent research on giving up smoking which was advice to patients resulted in 5 presented in a joint report by the World Health Organisation and the International Union

per cent of their patients not smoking a year later.

The booklet urges GP to ask all patients whether they smoke or not and if they are interested in giving up. If they are interested in giving up. If they

Paisley jailed for not paving march fines

THE REV Ian Paisley, leader of the Democratic Unionist Party in Northern Ireland, was jailed for seven days yesterday for refusing to pay fines imposed for taking part in two protest marches last year against the Anglo-Irish agreement.

Mr Paisley, 61, is the first party leader to be jailed as a result of the Unionist protest campaign against the agree-

campaign against the agree-

ment.

He refused to pay fines totalling \$40 for taking part in protest marches in Belfast and Ballymena against the new Public
Order legislation introduced last April.
Mr Paisley gave himself up

voluntarily at a Belfast police station yesterday and was taken to Crumlin Road prison. He said the legislation was a by-product of the Anglo-Irish agreement and had to be opposed at every opportunity.

Ship testing facility 'losing £1m a year'

BRITAIN'S BtG ship testing more in research and develop-facility at Feltham, west Lon-ment, in areas with world marfacility at Feltham, west Lon-don, has been losing nearly £1m a year since the merger of two civil maritime research estab-lishments, the Institution of Mechanical Engineers was told

last night.
Mr David Goodrich, managing director of British Marine Technology, the body that is the out-come of the 1985 merger, said the facility was one of the com-pany's "largest and least pro-ductive assets".

In the institution's annual

Thomas Lowe Gray lecture, he said big ship tanks were not commercially viable in a market where other maritime nations had a single facility serving civil and naval research, backed by government funds. Money raised by BMT from

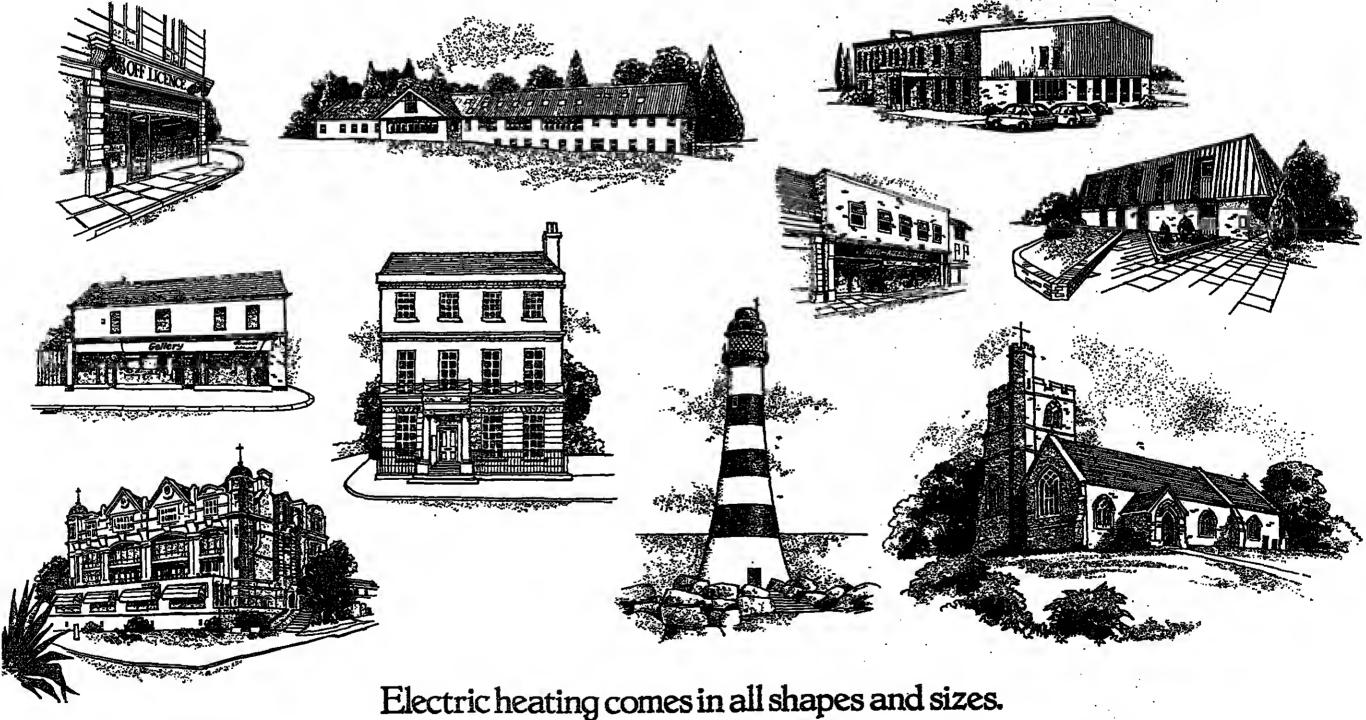
ket potential. The company had already set out to win work from the Minis-

out to win work from the Ministry of Defence. Its Bath office had secured contracts for Royal Fleet Auxiliary vessels.

The company had also set up a US subsidary to support its US Navy work and expand in North America. BMT expects a first trading profit this year.

Mr Goodrich said it was important that universities ahould be adequately funded for basic research and not forced to compete with indus-

forced to compete with industrial establishments. Organisations such as BMT should have a stronger role as in other European countries
- as the interface between universities and industry, turning basic research into enabling closing the facility and rede-ploying the 15-acre site would technielp the company, to invest nies. technology for maritime compa-



Electric heating systems are versatile.

They have to be.

After all, one building's requirements can be very different from the next.

In some premises, such as churches or squash courts, heating is required only intermittently. So direct acting electric heating, with its fast response time, is the answer.

Other buildings such as offices and shops need

heating for long periods. Electric storage heaters meet this need. They take advantage of low-cost. night-rate electricity to store heat, releasing it gradually during the working day.

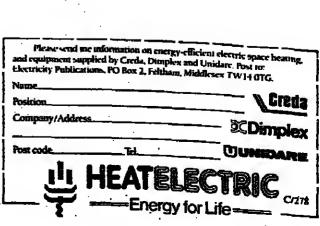
Sometimes a combination can be the best solution. In hotels, for example. Here, to save energy, direct acting heaters in bedrooms need be switched on only when rooms are occupied, while storage heaters in public rooms maintain a comfortable.

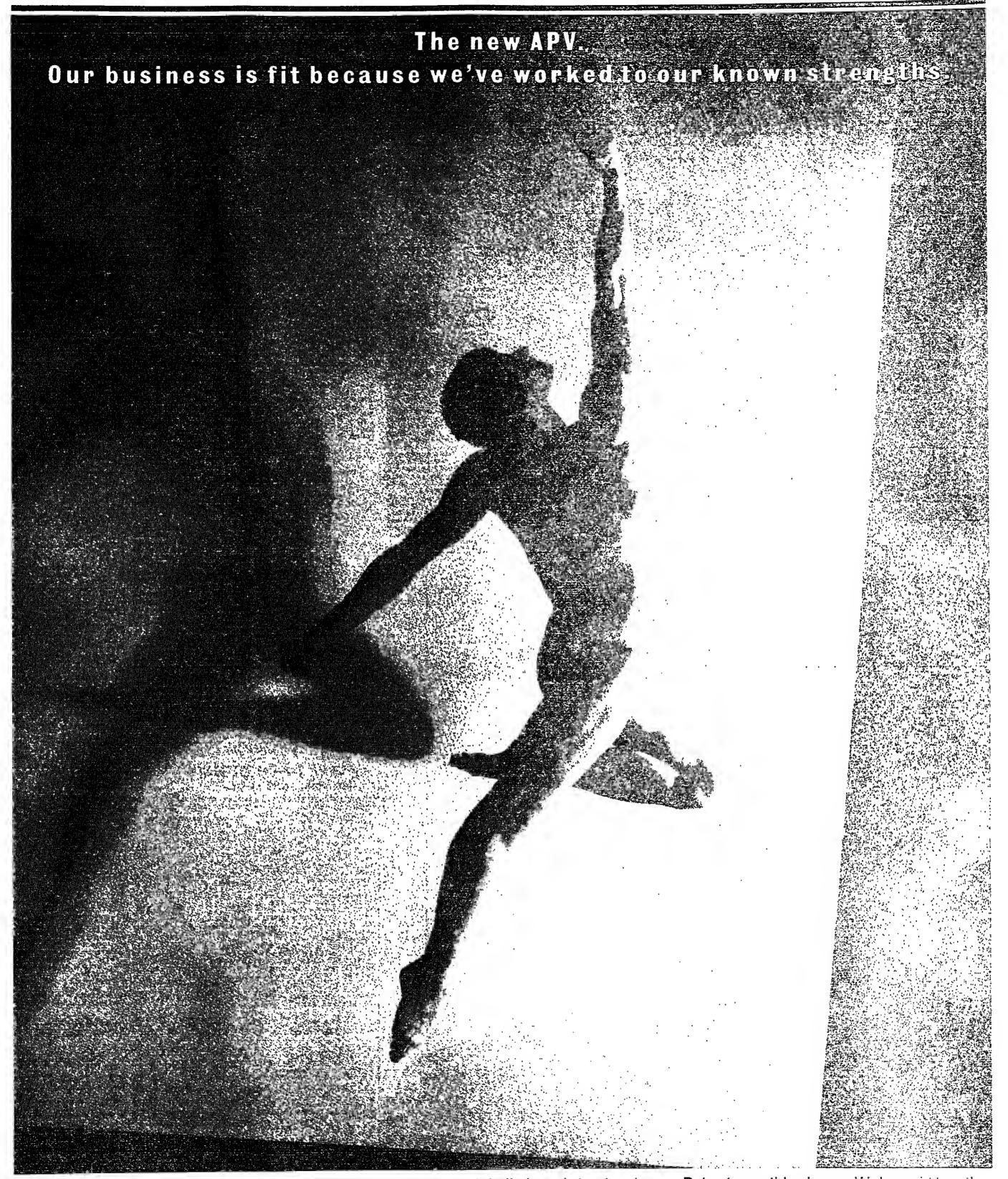
reliable warmth.

Whichever form of electric heating you choose, you get a total system matched to the needs of the building. And you get the controllability and energy efficiency of electricity.

For comfort and economy that's a combination hard to beat.

Send the coupon for more information, or call 100 and ask for Freefone PlanElectric.





Certainly APV looks a new company. A Its enormously simplified, globally-based structure is new. But not everything is new. We brought together three companies—APV, Baker Perkins and Pasilac—because their existing strengths were so perfectly complementary. A Each was a world leader in food and beverage process plant. And each was committed to high-technology, high-quality, high added value product strategies. Together, their strengths reinforce each other. A Distribution is now globally co-ordinated. A broader product range makes it possible to offer more complete process plant solutions. Ideas, too, can interact freely: new R&D programmes offer benefits across the group. A So today, our business is fitter, more responsive, more dynamic. A But at the centre, its basic strengths—in food and beverage process plant, in chemicals, plastics and printing—have been proven over time.

Tories to guillotine Education Bill

THE GOVERNMENT will this afternoon announce a guillotine to limit the length of further discussion in the Commons of the education system.

The move, the first guillotine since last June's election, shows

the Government's determins-tion to avoid any hold-ups in pressing shead with its heavy legislative programme in face of delays on other bills.

Mr Jack Straw, Labour's edu-

cation spokesman, said last night that there was no case for granting a guillotine since there had been no filibustering. He said the Government had not sought talks about an agreed timetable. Mr Straw claimed the guillo-

Mr Straw claimed the guide tine was being introduced because ministers were scared of the Lords and of proceedings on the floor of the House.



Jack Straw: 'no case for grant-ing guillotine'

Sedgemore: poetic delaying tactic Brian

protests by peers over the Edu-cation Bill's proposals to allow achools to opt out of local authority control and to change control of university finance. control of university finance.
The effect of the guillotine motion, which will be debated for three hours by MPs early next week, will be to set a strict timetable for the rest of the committee stage and the remaining stages on the floor of the House. This will affect, for example, the clauses on university funding and the future of the Inner London Education Authority.

the Inner London Education Authority.

Mrs Thatcher is currently considering a Conservative backbench motion, organised by Mr Michael Heseltine and Mr Norman Tebbit, proposing the abolition of Ilea, rather than a right for boroughs to opt out. Total abolition is expected to be accepted at report stage.

Total abolition is expected to be accepted at report stage.

The Government's main problem on other bills is delay rather than defeat, with longer-than-expected discussion on, for example, the Health and Medicines Bill. Committee dison the floor of the House.

The Education Reform Bill has made more progress than is usual on bills subject to timetable motions. After 81 hours in committee — the usual time before a guillotine is imposed — Labour MP, Mr Brian Sedge- 38 clauses, plus two schedules. However, the extent of progress of ar been debated out of 147 clauses and 11 schedules.

Often in the past only two or reason for the guillotine is the three clauses of significant bills balance of the Government's have been debated before a whole programme.

Brian Sedgemore: poetic delaying tactic

Ministers want to get the Education Reform Bill out of the Commons and into the Lords by Easter, partly to avoid log-jams later in the summer with the Housing Bill and the Local Government Finance Bill. The aim is also to provide plenty of time in the Upper House to deal with expected

NEC suspends Southwark Labour party

trim has been achieved by Marley Foam

harmonise with the finished sheet metal

bodywork. The Front Bumper System is

to resist low speed impacts, with the

Trimmed Inside & Out

produced by Marley Foam and is foam-filled

polyurethane Rear Spoiler boasting a new

Exterior features, unique to the RS

Cosworth, also include the Rocker Panel

Extensions which are smoothly faired into

the body complementing the car's sporting

instrument panel supplier, manufacturing in excess of 600,000 instrument panels each year.

instrument panel, proving once again their ability to meet Ford's highest standards and

produce the perfect components required.

Marley are also Europe's largest soft feel

Marley Foam manufacture the Ford Sierra

light-weight composite glass reinforced

thus enabling both components to be colour-keyed to the body and styled to

BY MICHAEL CASSELL, POLITICAL CORRESPONDENT

LABOUR'S national executive member in the Leeds West were necessary in order to procommittee yesterday stepped up its efforts to stamp out alleged infiltration by members of Militant Tendency by suspending the Southwark and Bermoodsey constituency party.

The NEC voted by 17 to five of any political party.

Mr Kinnock described Militant's activities as "deeply abnorment" and stressed that records will be checked to broke allegations surrounding from the party organisation

Bermoodsey constituency party.

The decision was taken in order to allow a full investigation into allegations of Militant activity throughout the south London party's organisation.

It was accompanied by NEC backing for charges to be brought against eight members of the Bradford North constituency party — which was suspended in December pending a similar inquiry — and one labour leader, who said they the drive to rid its supporters from the party organisation from the party organisation was not an exercise intended to secure electoral spproval but one which was essential to the future of a party which stood for truth and honesty.

After the meeting, Mr Ken Livingstone, the left-wing MP for Brent East, criticised the decision and added: "Every time the party leadership attacks Militant they double their membership."

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aerodynamic exterior trim, unique to the RS Cosworth, has been produced in

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alloy wheels.

The national executive meet-The national executive meeting, which provoked a demonstration by Bermondsey party activists, who deny allegations of extremlet infiltration, approved the Bermondsey decision by 20 votes to four. National party officers will have conduct an inquiry during now conduct an inquiry, during which the local party will be run by London Labour Party officials.

Yesterday's NEC also gave approval for a charge of activity prejudicial to the interests of the Labour Party to be brought against a north London party member for allegedly organising a demonstration

Anger over PM's letter on new school rule

By Tom Lynch

LABOUR MPS protested angrily in the Commons yesterday that Mrs Margaret Thatcher, the Prime Minister, had told the head of a school near Glasgow about a change in education policy before MPs had been informed.

formed. Mr Norman Buchan (Lab,

informed.

Mr Norman Buchan (Lab, Paisley South) said a letter released by Downing Street yesterday from Mrs Thatcher to Mr Robert Corbett, the rector of Paisley Grammar School, contained information about new rules on school closures.

Mr Donald Dawar, the shadow Scottish Secretary, said the manner of the announcement could upset the balance of ministerial responsibilities and demanded an early statement so that MPs could question ministers.

Mr Malcolm Rifkind, the Scottish Secretary, announced that iocal authorities would have to submit to him any plan to close a school where the takeup of places was more than 80 per cent.

The Prime Minister told Mr Corbett she was "very coocerned" about a proposal by Labour-controlled Strathclyde Regional Conncil to close Paisley Grammar School, a comprehensive which kept its grammar school title.

She expressed surprise at the closure proposal in view

She expressed surprise at the closure proposal in view of the school's popularity, and said the plan was likely to fall within the scope of

the new regulations.

Mr Archy Kirkwood (Lib, Roxburgh and Berwick-chire) said his party had tabled a "prayer" against the regulations and invited Labour MPs to join in pressing for a debate on them.

Scottish Bus Group sale may involve managers' buy-out

opposition will be cansidered by the Government in
framing legislation to privatise
the Scottish Bus Group, Mr.

Malcolm Rifkind, the Scottish
Secretary, told the Commons

He interpreted the statement
yesterday.

In Donald Dewar, Labour'e
shadow Scottish Secretary,
maintained the privatisation
proposals would please no one
but the "placemen and zealots"
on the Government benches.

He interpreted the statement
yesterday. OPPORTUNITIES for a manage- islands.

Secretary, told the Commons yesterday.

Waving aside Labour pro- a "U-turn" designed to earn tests, he claimed that the switch from the public sector—and it had yet to be decided whether to achieve it by the formation of a single company or aeveral regional undertakings—would benefit passengers by ensuring greater sensitivity to market forces.

Mr Rificind envisaged the new set up would allow investment. He said Labour MPs had little decisions to be made in Scotland. They would be free of the Government's constraints on nationalized industry financing. He contended that the privation of the bus group would-complement the major stinulus to be given to the Scottish economy by the privatisation of the omy by the privatisation of the electricity industry.

of intent made by Mr Riftind as a "U-turn" designed to earn "Brownie points from the Prime Minister"

He said the board of the Scot-

electricity industry.

Mr Rifkind acknowledged that privatisation would have implications for Caledonian MacBrayne - together with the Scottish Bus Group it makes up the Scottish Transport Group - which is responsible for providing ferry services on Scotland's west coast.

He said: "I shall be considering the best future arrangements for Caledonian MacBrayne, consistent with our commitment to the provision of shipping services to the said: "I shall be considering the best future arrangements for Caledonian MacBrayne, consistent with our commitment to the provision of shipping services to the other interests to be attracted.

Rifkind taunts Dewar on Scottish assembly plans

MR MALCOLM RIFKIND, the Scottish Secretary, clashed with its proposal that the standow, in the Commons yesterday when be claimed that Labour's plans for a Scottish assembly would increase taxes on Scots and discourage investing the grants under the assembly's control, it should expect to pay some of the costs.

perfectly well that one of the that its creation might be fol-

some of the costs.

ment.

Mr Dewar made a spirited defence of his party's demand for an assembly with revenue-raising powers, but he gave a clear warning to the more impatient Labour hackbenchers that the campaign for an assembly would be very long.

Mr Rifkind argued that giving an assembly the power to vary personal taxation would mean higher taxation in Scotland. Edinburgh The marginal cost than in other parts of the UK.

He told Mr Dewar: "You know perfectly well that one of the purposes of such an assembly is lowed by the abolition of the to achieve a more generous pro-vision of public services." tier of local government.

Hurd specifies types of secret to be protected

BY PETER RIDDELL, POLITICAL EDITOR

MR DOUGLAS HURD, the Home Secretary, will this evening for the first time define the categories of information to be protected in the June white paper on official secrets.

Interviewed for the BBC Radio 4 Analysis programme, to be broadcast tonight, Mr Hurd ontlines types of information for which sanctions will still apply in cases of unauthorized.

for which sanctions will still apply in cases of unauthorised disclosure by civil servants.

Defining three types of information, Mr Hurd says there is, first, "information over which there need be no protection, although it is protected at the moment by the Official Secrets Act - unnecessarily.

"Secondly, there is the category where there needs to be protection, but where quite reasonably that can be done by interview and said 'own from this or that can be done by way, the actual truth about this need the criminal law.

"And thirdly, there is the area which is a small minority think that might require criminal of the whole, where there is a male action." "When officials brief me for

Hospitals face £1.8bn spending shortfall

By Alan Pike, Social Affairs Corresponder

BRITAIN'S hospital services have suffered a cumulative spending shortfall of \$1.8bn since 1980-81, according to official figures commissioned by the Commons Social Services

the Commons Social Services
Committee.

The figures show that without money ploughed back into
the hospital and community
health services through cashsaving cost improvement programmes, the cumulative shortfall would have been even
higher, at \$2.5bn. These figures
are an npdated version of a
study of NHS financing carried
out by the committee in 1988.
Leaders of the National Association of Health Authorities
told the committee yesterday told the committee yesterday that they need an increase of around \$1.1bn in the next financial year to prevent any further deterioration in the ser-

vice, compared with Govern-ment plans for an increase of just over \$700m. The health authorities eay The health authorities eay their \$1.1bn is based on an estimated \$663m for pay increases, \$272m for service developments and a shortfell of \$170m in the present financial year. If pay settlements were higher than 5.9 per cent, the association's representatives told MPs, the \$1.1bn would have to increase.

increase.

In Philip Hunt, NAHA director, agreed with Mr Frank Field, MP, chairman of the Social Services Committee, that

the higher figure of £1.8bn pro-duced for the committee would be needed to allow for growth

ne needed to allow for growth in services.

The shortfalls arise largely from Government failure to fund the full amount of national pay awards, and the fact that costs in the health service are rising faster than general inflation.

NAHA said that since

eral inflation.

NAHA said that since 1980-81 finance for the family practitioner services bad increased at a greater rate than for hospital and community services, if the hospital service had received the same rate of increase as family negative or increase as family negative or increase. increase as family practitioner services its cash limits in 1986-87 would have been

shoest I per cent higher.
There should be little mystery about the present problems of the hospital service, said NAHA. "If, during the 1980s, the NHS had been fully financed for inflation and given sufficient additional funding for demographic change, medifor demographic change, medi-cal advances and Government priorities, health authorities would now be financially robust.

Fowler limits 'voluntary' scheme criteria By John Gepper, Labour Staff

ALTHOUGH the planned adult training scheme will be voluntary, the existing svailability-for-work test may disqualify an unemployed person who repeatedly refuses a place from receiving state benefit, Mr Norman Fowler, Employment Secretary, said yesterday.

Mr Fowler said the Government planned to keep adult training voluntary, under its White Paper expected oext month, because the anticipated 600,000 places on the scheme would not be enough to offer all the unemployed an opportunity.

the unemployed an opportunity.
But Mr Fowler, giving evidence to the House of Commons
employment select committee,
said that someone who "refused
three to four jobs and four to
five offers of training places"
might fall foul of the svallshility-for-work test.
He said the Government
wanted to make people join the
scheme by making it attractive.

Return of Son of Devolution

DONALD DEWAR, Labour's shadow Scottish Secretary, yesterday quoted Hilaire Belloc, to support his prediction that the Tory Party would use its huge parliamentary majority to crush Labour's latest attempt at Scottish devolution.

Assured of its power the Government took Belloc's view that "Whatever happens we have got the gattling gun and they have not."

have not.

But perhaps it would have been more appropriate for the Labour spokesman to have quoted Mary Shelley the author of Frankenstein. Every year or so the recumbent figure of Scottish devolution is trundled out.

As thunder rumbles outside the wires are attached to the cranium, the switch is pulled, the eyelids flicker and once more the reanimated monster strides forth.

the populace.

The original production took place in 1976 when the Labour Government Introduced its great devolution Bills in the hope of stemming the tide of rising nationalism in Scotland and Wales. Like Frankenstein Naturally he had nothing but this has been followed by severe contempts for Males Like Frankenstein Naturally he had nothing but this has been followed by severe contempts for Males Like Frankenstein Naturally he had nothing but this has been followed by severe contempts for Males Like Indianated the wishes of the people of Scotland and Wales United Scotland and Wales Like Frankenstein with the exultant for this role. this has been followed by sev-



eral sequels. Last November we had Bride of Devolution, a production mounted by the Liberal/SDP Alliance. On that occasion the Alliance produced its epic before Walworth Road Productions.

of Frankenstein. Every year or so the recumbent figure of Scottish devolution is trundled out.

As thunder rumbles catiside the wires are attached to the cranium, the switch is pulled, the eyelids flicker and once more the reanimated monster strides forth.

His creators stand back and ask us to admire their handiwork and claim that it is an extraordinary advance in political science. The detractors recoil in horror and predict that it will not be long before this hideous creation is terrifying the populace.

The original production took place in 1976 when the Labour series and for the scotland and would strengthen the United Kingdom.

Naturally he had nothing but contempt for Malcolm Rifkind

the Scottish Secretary.

Mr Rifkind represented that other figure of the Franken-

Mr Rifkind represented that other figure of the Frankenstein genre – the acolyte, originally an enthusiast for the great experiment, bot loslog faith once he realised the nature of the monster.

Mr Dewar loftly announced he would not waste time dwelling on the way that Mr Rifkind had espoused devolution in 1876 only to oppose it in his present office. With that he did nothing but abuse the Scottish Secretary for the next five minutes for a dishonourable "copout". Mr Rifkind pointed out that he had not voted for the Scotland Act on third reading and predicted Labour was opening a "Pandora's box".

No spine-chilling production would be complete without the black-clad figure of Nicholas Fairbairn, Baron of Fordell, who rose from the gloom on the Conservative backbenches to announce himself as an Episcopalian Jacobite. He wondered whether Labour's enthusiam great had it been in power for nine years with a majority of seats in Scotland.

Mr Dewar snorted that he Jacobites had as the Tories, it seemed a nest way of avoiding an awkward question.

THUH HUNT



Lisson Gallery/William Packer

Drawing on northern romanticism

John Virtne, who now fills the Lisson Gallery (67 Lisson Street. NW1, until February 13; then to the Cornerhouse, Manchester and on to the L.A.Louver Gallery in Venice, California) with a substantial revue of his work. since 1978, is not altogether case to categorise as a pariet slnce 1978, is not altogether easy to categorise as an artist. Although his works have the scale and physical presence of paintings, they are not painted but drawn: and yet they are rather more than simple drawings. It is not a matter of technique, which is straight-forward enough, nor of subject, which is landscape, but of presentation.

His practice has been to fill his working sketchbooks with lmages of an intimate country-side, intimate in the personal sense of a deep knowledge and familiarity that has made the landscape of old farms and villages, fields and woods, around the village of Green Haworth in-Lancashire where he lived and worked until only recently, his very own.
It is the landscape of immedi-

ate personal experience, of par-ticular detail and visual inci-dent, rarely embracing the nearby but bleak and vaster nearby but bleak and vaster distances of the Pennines above the village, but rathar the houses at the next bend in the road, across the little valley or over the brow of the next hill. The exigencies of working in the open, on foot and often hurriedly – for Virtue was conatrained to earn his living as the local nostman for some 7. the local postman for some 7 years and had his job to do directly affected the nature of the sketchbook, which in turn came to be the determining, aubstantive material of the work as a whole. The image on each page, initially established with charcoal or pencil, would again be drawn over, fixed and reinforced in the studio with pen and ink, and thus worked

up to s state remarkable as much for its technical consis-

tency as for its rich, suggestive.



Landscape No 41, 1986-7, by John Virtue

canvas, but simply redeployed, trace the artist's own steps, each laid up to the next in a moment by stationary moment, regular tessellation of some or to make our imaginative protimes more than 70 elements, to jection into this private world make up the final composite entirely our own.

panel.
The drawings, therefore, are at once the studies for the work and the work itself, material observation and personal expression. The more of them ere are, which is the general intensity. These pages were not - a whole by the sum of its dif- haps, there are now a mere four then translated onto board or fracted parts, or perhaps to or two or even only one. In one

mindo comes as a marvellously enriching climax: heard by

itself here, it sounded dabl-ously romantic and uninterest-

'Ondine' to return

to Covent Garden

Frederick Ashton's full-length

It is a romantic, largely twi-light world, full of shadows and suggestion, dark skies, bare branches and the sense of an imminent storm. There may be much of Palmer in the intensity of Virtue's vision, and in its local and particular rather than its general scale, but nothing of his pastoral, arcadian romantithere are, which is the general character of most of the work, it is general scale, but nothing of ple images of great complexity which allows an infinite choice in the reading. Multi-faceted, implicitly sequential though offering no key to their story, they remain intriguingly active such that they propose. We are invited to see the landscape as whole by the sum of its diffracted parts, or nerhans to or two or even only one. In one

case, for example, a large drawing of a tree, integral in Itself, is worked across two abutted sheets. And with this change has come a more subtle adjust-ment in the imagery, which is now concerned less with the sense of an imaginative journey through and around a local landscape, than of the consideration and comparative revision of material that is fixed and

close at hand.

The closer landscape of the woods, that draws the eye in through the trees but yet screens and restricts any fur-ther view, is what increasingly preoccupies him. The handling is as vigorous and assured as ever, but sometimes too much so, for it can veer towards per-sonal mannerism and indulgence. The trees msy now engage him quite as much for

villages ever dld, but where before the process and mark he had devised were exact to their purpose, now the simple ampli-fication of the mark as it lies on the surface exposes its techni-cal cleverness rather indis-creetly: where cross-batching may work wonderful descrip-tion over an inch or two, sev-eral square-feet may need other treatment. One can only wonder wbether, sooner rather than later, he must turn again from pen and ink to brush and paint.

But these are technical mat-ters, and the work is evidently in transition. These are impres-sive works, brave and ambisive works, brave and another tious, the more so for being no slave to current fashion. It is worth noting that Virtue was nt the Slade in the later 1960s where he was taught by Frank Auerbach, and whom better to follow in the simple lesson of sticking to one's own path. A fresh start must test even further the formal method and devices he has developed over the years. Virtue has lately left Lancashire for Somerset and who can say what the change will do for him.

Round the corner at the other Lisson gallery (66 Bell Street NW1, also until February 13) is a smaller show of drawings and prints by the sculptor and pres-ent holder of the Turner Prize, Richard Descon. It takes nothing away from his quality, achievement and reputation as a sculptor, but only from his judgement, to say that these tentative, slight and often fee-ble technical diagrams, though they may hold a certain circum-atantial interest, are hardly to be distinguished as drawings as such. They neither carry infor-mation nor develop ideas: least of all do they evince any intuitive sensitivity of touch or pro-cess. They are quite inert. The myth has it that sculptors always make fine draughtsmen, but it is still a myth.

gave a decent, restrained inter-pretation, which is not quite enough. John Tranter thun-dered appropriately as the High Priest, with only one or two of those moments of curdled into-

The Pearl Fishers/Theatre Royal, Glasgow

Rodney Milnes

Scottish Opera's new prodoc-tion of Bizet's *Pearl Fishers* opened under the darkest of stars. For once, a managing director's pre-performance announcement on the subject of a "serious throat infection" proved to be nothing but the truth: halfway through the first Act it became apparent that Kim Begley (Nadir) was virtu-ally volceless and performing in a state of considerable distress. the refurbishment of the old, with the added bonus of sponsorship (from Baillie Gifford & Co). As has not happened elsewhere, the old was infinitely preferable to the new. The libretto of *The Pearl Fishers* may be notoriously third rate, but it deserves better than this. a state of considerable distress.

It was extraordinary that ha
should have been allowed to
sing the rest of the opera: why
was his cover not sent on, If not from the beginning, then certainly after the first interval? What happened was fair neither to the artists nor to the audience – not to mention the

For it was also spparent that this crucial indisposition affected the other singers on the stage and the conductor. We were well into the third Act before Peter Robinson, the orchestra and the chorus started to find the red corpuscles in Blzet's score; hitherto reading and execution had been depressingly and uncharacteristically limp, and in a piece that stands or falis by its music, limpness is something without which one can very well do.

There were, admittedly, other factors. Rita Cullis (Leila) was made to spend the whole of her orchestra and the chorus

made to spend the whole of her first-Act Scene imprisoned in a Bagazet-style cage. The music here does not lie too easily on her big, mettlesome soprano anyway: it was not surprising that she should have sounded uneasy and given less than her best when forced to deliver it from a crouching or sitting position. Once released in the second Act, ahe relaxed, "As once before" went nicely. By the third Act she started to attack the music with the fer-vour we expect of her, and almost singlehanded lifted the evening out of the doldrums.

There is a certain fastidious-neas to Patrick Wheatley's stage manner and vocal style not too well suited to a role like Zurga, which is all red meat. He

nation that you can get nway with in Wagner, but not in Bizet.

The run was originally to have been a revival of the old Steven Fimlott/Stefanos Lazaridis production; as has happened in other houses this season, a new production was brought in at no more cost than the refurbishment of the old, with the added bonus of sponsorship (from Ballille Gifford & Within Lez Brotherston's flimsy decor, lit with surprising blandness by Paul Pyant, the producer Stepben Lawless suggested little sense of time, place, character or motivation. Vaguely Conrsd-colonial, vaguely Sri Lankan, vaguely Hollywood (Nadir was played brought in at no more cost than the refurbishment of the old, with surprising blandness by Paul Pyant, the producer Stepben Lawless suggested little sense of time, place, character or motivation. Vaguely Conrsd-colonial, vaguely Sri Lankan, vaguely Hollywood (Nadir was played brought in at no more cost than the refurbishment of the old, so the production was brought in at no more cost than the refurbishment of the old, so the played brought in at no more cost than the refurbishment of the old, so the played brought in at no more cost than the refurbishment of the old, so the played brought in at no more cost than the refurbishment of the old, so the played brought in at no more cost than the refurbishment of the old, so the played brought in at no more cost than the refurbishment of the old. were aimply embarrassing.
With the tenor lead resi

to health, the production might at least find some musical dis-tinction, but visually, I fear it is a write off. Ring out the new, bring back the old.



Rita Cullis and Patrick Wheatley

Italian Inspiration/Elizabeth Hall London Philharmonic/Festival Hall

Richard Fairman

It is almost 30 years since Raymond Leppard introduced his ploneering srrangements of Monteveroi and Cavalli. In the intervening period our percep-tions of how this music should feel and sound have undergone a radical change and the old, lush and fall-blown Leppard versions have come to seem virtual period pieces — the period she works in the incistveness
being the 1960s rather than the too: her arias from Cavalli's
more astringent times when the L'Ormindo and L'Egisto both
composers originally conceived went with superb verbal point.

Her tenor partner, David Ren-

This concert - the first of a short series entitled "The Italian Inspiration" - provided an opportunity to sample the conductor's most recent thoughts on the subject. The programme was a jumbled assortment of operatic excerpts and short pieces. In most the string sec-tion of the English Chamber Orchestra was reduced to three or four a part (no other instru-ments, other than continno, were heard) and for the choral items we had the Tallis Chamber Choir.

Even with a reduced number of performers, however, the tonal and expressive range of modern instruments remsins unchanged. One can admire the emotional pull that Leppard unashamedly brings to the music; but after s while the constant presence of a cushion of soft strings becomes enervating and the ear starts to search for lines and rhythms with the proper bite. Nor did the players sound at all well prepared for the intricacles of Cavalli's Can-

ution

David Murray

giving the concert came with the solo items, in particular those sung by the mezzo Ann Murray. This singer traverses stylistic boundaries with ease. The delicate range of colours scale, as distinct from the mas-sively amiable Richard Strauss which was to come after the interval. Schubert's Sixth Sym-phony invites no special interthat she can provide these days makes a perfect complement to Leppard's pastel-shaded view phony invites no special inter-preter's licence, and Mehta treated it with friendly respect and at fairly relaxed templ. The orchestra was suitably reduced (the better to overwhelm us, no doubt, with the Strauss later), but the music still sounded well-cushioned. I found myself dall, was far less at his ease.
This is a voice which has become accustomed to singing on quite another scale and Rendall is mable to pull back the tone without losing its focus or

quality. Their duets did not really work in isolation. After two hours in the theatre the final duet of Cavalit's L'Or-

Zubin Mehta began his concert given the ontrageously large in which Strauss seems to be with the L.P.O on Tuesday with forces Strauss sets to depicting trying valuely to remember amiable Schnbert on a modest his own home life. Mehta was something else he ought to have much more than equal to it; scarcely anything got lost amid the teeming bric's-brac thanks to his sure control of the orchestral balance, and the doz-

Bringing off Strauss's Symbonia Domestica is as much a matter of logistics as anything,

said). It was fun to hear the Symphonia Domestica again; should have liked also to report some encouraging new insights, but none cropped up. The fact that Strauss was doing nothing here that he hadn't done before orchestral balance, and the dozens of climaxes were satisfyingly opulent. The L.P.O. was not absolutely fluff-free, but the fabric was never stretched or snapped. David Noisn's violin took Frau Strauss's role with feline sentiment and elegance; oboe and oboe d'amore made notably telling contributions, and nine horns lald down s rich sound-carpet. Ravel's, another Paul Wittgenic with stein commission): a cleverer

The Phantom of the Opera/Majestic, New York

Frank Lipsius

The Majestic Theatre, decked with Maris Bjornson's glided sets, at last rocks to Andrew Lloyd Wabber's haunting melo-dies in the long-awalted transfer from London of The Phantom of the Opera.

ballet Ondine, to a commissioned score by Hans Werner Henze, will return to Covent Garden on May 10 after an absence of 22 years. The first night cast will include Gelsey Kirkland making her debut in Hal Prince's production works its magic, even though the faces of Lloyd Webber and Miss Brightman had become as for lines and rhythms with the production for lines and rhythms with the production for lines and rhythms with the production at all well prepared for Anthony Dowell and Stephen as is the mask ad on the sides over whether Sarah Brightman as is the mask ad on the sides over whether Sarah Brightman of New York buses. The vulner-renio, with Deanne Bergsma ability of the Phantom (Michael around Equity rules restricting Crawford, a study in contrasts, transfers (Steva Barton, the

both menacing but nimble) ruggedly blond Raoul, Vicomte seems all the more touching, de Chagny, is American). Lloyd Brightman's irresistibility all Webber's insistence that she the more convincing, after the plethora of interviews.
A solid American supporting

cast - led by David Romano as an opera star and Leila Martin as the stern ballet mistress and emissary from the Phantom -aurround the three principals who arrived with the produc-tion from London, after the flap over whether Sarah Brightman

Webber's insistence that she was made one more reverbera-

tion to the story. The resounding conclusion to the Equity conflict is that if not before, she is now a star big enough for Broadway.

But there is no better chance of seeing the show in New York than London. With an advance sale of \$16.5m reaching toward the end of the year, the production is sold out for the foresee-

Die Schweigsame Frau/Palermo

William Weaver

The Teatro Massimo of Palermo operas. A mutual friend is still undergoing restoration, suggested Zweig, then at the and its season has to be presheight of his international ented in the less suitable Polifisme; Zweig proposed this teams, originally intended for comic subject, and Strass was circuses and other forms of entranced But it was 1932, and "popular" entertainment. Richard Strauss's Die Schweigsame ished, the Nazis were in power Frau, an intimate, ambiguous and works by Jews were not comedy set to music of Strausbelng performed. Strauss, to his sian subtlety and complexity, credit, insisted that posters and works by Jews were not comedy set to music of Strausbelng performed. Strauss, to his sian subtlety and complexity, credit, insisted that posters and world barelly and complexity. would hardly be categorised as programmes for the Dresden Cyndia Seiden, gifted with s popular, in any sense; in fact, première in June 1935 be as soprano voice of icy purity, among the full-length works of Zweig'a name; Hitler cancelled the composer's maturity, it is his reservations; after three perhaps the least frequently performsnces the opera was performed. And yet, in Pal-dropped. And it made only a ermo, where it opened the curfew appearances elsewhere smaller, but none is minor. Eike will schulte as the barber. rent season, it bas been playing (including an Italian version, at to sold-out, enthusiastic houses La Scala, in 1936 with Mariano

to sold-out, enthusiastic houses La Scala, in 1936 with Mariano despite the fact that it is being aung in the original German.

There are several explanations for this success of the Stabile and Margherita Carosio, the opers's only production in Italy before this Palermo staging). Even in post-war Germany Strauss rarity. One could be the it has failed to enter the repersoned by many seasons of the Palermo audience, now accustomed by many seasons of the Massimo's enlightened artistic than thoroughly studied production can seem described. guidance - to intelligent programming and alert casting.
Another explanation could be: beauty of the music can fail to
the fine execution; and another,
the value of the opera itself.

Adapted, with great freedom,

the value of the opera Itself.
Adapted, with great freedom,
from a Ben Johnson comedy,the West-German houses, arrived in libretto, or rather, the librettist Stefan Zweig got the composer the Sicilian capital s month before opening night and and the opera into trouble. Strauss'a supreme collaborator of almost twenty-five years, Hugo von Hofmannsthal, had died in 1928; and as Strauss himself confessed, he thought

worked intensely, both with the conductor Wolfgang Rennert and the producer Giulio Chazalettes. The result was a feeling of teamwork that is usually absent from Italian theatres,

absent from Italian theatres, even the most illustrious.

The impressive Siegfried Vogel, with commanding stage presence and musical taste, was an ideal Morosus; tha Aminta, Cyndia Seiden, gifted with a soprano voice of icy purity, was equally enjoyable. But the whole array of singers did an admirable job: in Die Schweigsmaller, but none is minor. Eike Wilm Schulte, as the bsrber, still must be singled out for special praise: an Anglo-German Figaro of vigour and spirit. James O'Neal was a romantic Henry; and Aminta's two theatrical colleagues, Isotta and Car-lotta, were charmingly inter-preted by Lisa Griffith and Marijke Hendriks.

Rennert persuaded the Massimo's orchestra to play with refinement and wit: also qualities that marked Chazelettes'a ataging and the tasteful sets and costumes of Ulisee Santic-chi. The programme notes and documents assembled by Franco Serps comprise an exemplary publication.

Saleroom/Antony Thorncroft Laundry maids again of giving np the composition of January 22–28

Arts Guide

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FINANCIAL TIMES

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Exhibitions LONDON

Tate Gallery. Turner in the new Clore Gallery. The Turner Bequest, which amounts to nearly 300 oil paintings, finished and unfinished, and e further 19,000 or so watercolours and drawings, has been a source of controversy and dissension ever since it came into the nation's hands more than or so watercolours and drawings, has been a source of controversy said dissension ever since it came into the nation's hands more than 130 years ago. Turner always wished for a gallery to himself which would show all aspects of his work. Whether he would have approved of James Stirling's extension to the Tate as a suitable setting is e nice question. The larger paintings may be hung too low for one who lived in a more ostentatious age, and the tasteful outmeal walls Stirling has decreed for the principal galleries is a farry from the rich plum he is known to have preferred. The volgar neo-deco of the entrance hall has little to recommend it. But there are eight rooms for paintings and another for watercolours that give room enough. And with the three reserve galleries upstairs, every painting but the few in restoration or on loan is on the wall.

PARIS

PARIS

Zurbaran. From New York, an exhibition of 72 paintings retraces the artistic development of one of the great masters of the Spanish Golden Age. Influenced at first by Caravaggio's chiaroscuro technique. Francisco Zurbaran progressively abandons the strongly-contrasted rich colours for a softer palette characterised by near monochromes. Reversing the perspective, using geometrical compo-

il 11. le Odermatt-Ceneau Maximi-

Faleric Odermatt-Cazeau Maximi-lien Luce. Luminous and wall-structured, Maximilien Luce adda realistic images from a work-ing-class universe to many of the impressionist's themes of the Seine, the Thames and Saint Tro-pez. 85 bis, Rue do Faubourg, Saint Honore (4266 9258). Ends Jan 30.

Saint Honore (4266 9258). Ends Jan 30.

Masée des Arts Decoratifs. More than a thousand wooden toys from as far afield as Greenland, Mexico and Russia carved by 18th century wooderuters or modern designers recreate the enchanted childhood world of villages and childhood world of villages and dolls, horses and trains. 107 Rue de Rivoli (42608214). Ends Feb 14.

Grand Palals. Treasures of the Ceitic Princes. This collection of prestigious archeological finds from what is, nowadays, France, Germany and Austria, bears witness to a luxury-loving civilisation which flourished in the Ceitic universe. On show are bronze armour, capildrons, the crater from Vix, which were all imported from Greece or Etruria. (42560924). Ends Feb 15.

WEST GERMANY

WEST GERMANY

Munich, Villa Stuck. Pablo Picasso
exhibition (on loan from the Hanover Sprengel Museum) displays
around 300 paintings, drawings,
graphic art prints from the artist's complete artistic range, spanning cubism, classicism, and surrealism, as well as Picasso's later
work. Prinxregentenstr 1. Ends
Peb 28.

sitloe settlegs and shedding everything superfluous, the mystical painter of the counter-reformation seems to be a precursor of Cubism of the 20th century. Grand Palais. (42560924). Ends Artill II. by a comprehensive retrospective consisting of 80 pictures from the main periods of his working life. Schossplatz 2. Ends Feb 21.

Eome, Palazzo del Coeservatori Campidogila. Hiddea Trasaure: The Imperial Silver Collection From Kaiserangat. An extraordinarity fine collection of eliver tableware dating from 350 AD, hastily buried by two Roman generals, Marcelliano and Romulo, when the Castrum Rauracense (the site of the modern village of Kaisereugat) on the oorthern perimeter of the troubled Roman Emptre was threatened with barbarian Invasion. They clearly intended to collect their possessions once the danger was past. The treasure was discovered in 1962, during excavation work for the foundations of a school. 254 pieces – weighing 37 kilograms of 97 per cent pure silver, reckoned to correspond in value to one year's pay for 140 Roman soldiers. The portraits on the 167 fine coins and ingots have made it possible to date the collection precisely. There are delicately-curved, long-handled spoons and some silver beakers (glass was already more fashlomable). There are serving dishes – one splendid octagonal, one decorated with a frieze recounting the life-history of Achilles, and another rectangular, decorated with a charmingly improbable fish, and an elaborate candlestick with markedly oriental decoration, inlaid with gold. Ends Feb 14.

Rome, Falazzo Braschi. Antonio Recalcutt paintings 1960-1987: A dramatic group of olls by an artist

who burst on the Italian scene in the 1960s with a violently political series of abstract wastelands heavily stamped with the occlear diaarmament symbol. His soul-searching cootinues with a group with a strong Francis Bacon influence, another of meticulously painted rooms containing only guillotines, and ending with his most recent series of beguiling serenity, entitled After Storm, of coloured skies reflected on wet New York pavements (Antonio Recalcati has lived in New York City for many years). Ends Jan 31.

WASHINGTON

WASHINGTON
National Gallery. A centenary retrospective of Georgia O'Keeffe
which includes 115 oil paintings
and drawings. Among them are
rsrely seen examples from her
familiar New Mexico landscapes,
exotic flowers and still lifes. Ends
Feb 21. CHICAGO Art Institute. More than 80 drawings of early 19th-century architect Friedrich Weinbrenner show his loftuence in rebuilding the cities of Karisruhe and Baden Baden as well as doing numerous commissions for German royalty. Ends Feb 28.

TOKYO

Nezu Museom. Japanese swords and fittings. Objects of beauty as well as instruments of death, these awords are elegant in shape, line, texture and design. The exhibition features 50 items from the museum's collection. Afterwards, take a stroll in the densely wooded garden, lovely at all times of the year, and forget you are in the heart of the metropolis. (400 2536). Ends Feb 7.

laundry maida at its maid apring impressionist auction on March 2g in London. Last November it raised \$7.4gm from "Les Blanchisseuses."

The lantern shaped clock in blue and green enamel had been made in 1927 by Gillett & Johnlaundry scene, an English family, to trade in their picture. It is smaller, 18 inches by 24 lnches, hence a lower estimate from Christie's of £3m plus.

ligne," it shows two girls carry-ing fresh linen in baskets. It has been much exhibited, first appearing in the second impres-sionist Exhibition in 1876, and

sionist Exhibition in 1876, and most recently at the seminal New painting: Impressionism 1874-86 exhibition, held in Washington in 1986.

The painting was acquired, before 1900, by Sir William Eden, father of Sir Anthony, and sold at Christie's in 1918, to Coinaghi, for 2,300 guineas, a remarkable price at the time. It is a much prettler painting than "Les Blanchisseuses," and could well go to the mysterious Swiss based syndicate which is believed to have snapped up Van Gogh's "Irises," and other multi million pound paintings, in the past year.

Yestanday Christie's disposed.

Christie's Is selling another. Bourne and Hollingaworth magnificent Degas painting of clock, was bought by Ladbrokes laundry maida at its maio for \$19,800, within its esti-

which ahowed two girla son of Croydon and came with straining at their work. The high price has obviously persuaded the owners of this other to hang promihad been designed by Mr Staf-ford Bourne to hang promilaundry scene, an English family, to trade in their picture. It is smaller, 1g inches by 24 Inches, hence a lower estimate from Christie's of £3m plus.

It is a very different type of painting, much brighter and much more mobile. Known as "Blanchisseuses portant duligne," it shows two girls carry. Darke. When Bourne & Hollingsworth disappeared in the early 1980s the clock was offered at Christle'a, but withdrawn before the sale. For the last three years It has been on display at the 20th century gallery in the Victoria & Albert Museum. Ladbrokes intends to incorporate the clock in a new

multi million pound paintings, in the past year.

Yesterday Christie's disposed of British decorative arts from 1880 to the present day. The morning session had its problems, especially among the Victorian furniture and the modern glass, which found few buyers, and the total of \$109,785 includes 33 per cent unsold.

The pots in the afternoon session did much better and there was a record for the late Katharine Pleydell-Bouverie. A stoneware oviform vase made around 1930 sold for \$3,520, way above forecast and the previous best for this potter. The day's total was \$214,786 with 24 per cent unsold.

FINANCIAL TIMES

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Thursday January 28 1988

Adjustment in the US

GIVEN THE expectation of much of that strength was minimal policy change in the US in a presidential election chasee, which will in due year, each new statistic on its economy is subjected to unusually close scrutiny for new trends. In the case of yesterday's preliminary estimates for real gross national diture. But here to, there is mates for real gross national diture. But here, too, there is product in the fourth quarter, room for optimism, at least on the exercise is hazardous for the score of the hitherto inad-

the exercise is hazardous for the score of the numero industries in the score of the numero industries to the score of the numero of domestic savings ject to two further revisions.

At first sight an annualised rate of growth of 4.2 per cent, leaving real GNP up 2.9 per cent in the third quarterly nearly period that reflects does appear to have delivered. quarterly period that reflects does appear to have delivered the impact of the October a wealth effect, as investors market crash. Yet the greater part of the increase comes from a build np in business inventories, while consumer and cars which usually epending showed a severe involve running up large contraction during the period. debts. This is grist to the mill of those who have been arguing Health warnings that production cannot maintain its present impetus while growth in domestic demand ie slipping rapidly; and their forecast of a sharp deceleration in first quarter growth as spending makes recources husinessmen are forced to cut available for an export sector businessmen are forced to cut inventories looks increasingly plausible. But before assuming that this path leads on to recession it is important to look beyond the round fig-

Personal savings

Much of the reduction in consumer spending reflecte distortions in the pattern of motor vehicle purchases between the third and fourth quarters arising from the various incentive schemee on offer from Detroit. And looking at the inventory bulld up for the year as a whole, it does not look conspicuously high in relation to GNP by post-war standards. Much more striking is the way the figures appear to confirm that the tradeable goods sector of the economy is reaping substantial benefits from the dol-lar devaluation. Indeed the rise in real exports appears to have accounted for around a aird of total growth last year. While imports remained ning to look a little less probstrong in the fourth quarter, lematic.

All this is consistent with

picture of reasonably smooth trade adjustment, in which a

slow down in consumer

that is becoming more com-petitive in world markets. It

also suggests that monetary authorities around the world

may have timed their latest

attempt to stabilise the dollar

with some skill. A measure of

calm in the exchange markets

now would improve the likeli-

hood of a rapid improvement in the US trade balance and

pave the way for the reacti-

vation of private capital

flows into the US. And there will no doubt be some relief in

the Administration that the

buoyancy in the fourth quar-

ter figures owes more to the

inventory build up than to anything that could be associ-

ated with overheating. The Federal Reserve will be under

less pressure to tighten mone-

warnings about the data. And

holes in his driving licence and eight scars on his body. He is a frightened man, but at least he is still alive. His family was not so lucky. On December 15 one of his sons was shot dead while walking to the local store in Kwamashange village to buy bread. The day after hie son's funeral the rest of his family were burnt to death, victims of a bitter power struggle between rival black groups in the townships around Pietermaritzburg in Natal.

Mr Thabethe is an active member of the United Work-

PHILLIP THABETHE, a 40-year-old Zulu bus driver, was loading his bus at the depot in

white central Pietermaritz-

burg when a "passenger" in the queue whipped out a pis-tol and shot him eight times.

He now has four builet

ers Union (Uwusa) launched by the Zulu lnkatha movement 18 months ago. He is convinced his attacker was a supporter of the rival leftwing Cosatu union which is affiliated to the United Demoratic Front (UDF).

Kwamashange is one of a dozen or so small villages and scattered "kraals" in Pietermaritzburg's Edendale Valley where over 300 people have lost their lives over the last year in fighting for control over hearts and minds in Natal between supporters of the UDF, which many regard as the internal wing of the banned African National Consought to rebuild their assets gress, and while fighting shy of spending on such items as housing Buthelezi. gress, and Inkatha, which is led by Chief Mangosuthu

Increasingly it is a struggle which appears to have moved beyond control and become a vicious circle of violence and vengeance. Much of the mainly nocturnal fighting and raiding is between gangs of hardly literate youths often recruited against their will by local "warlords." But the ideo-logical and political differences which underpin the

fighting remain.
At this level, it is a struggle between the exiled leadership of the ANC and Inkatha with their opposing strategies for fighting apartheid. The ANC is determined to portray Itself as the sole representative of black aspirations while Inkatha rejects the ANC policy of
armed struggle, opposes disinvestment from South Africa
and opts for multiracial powfuneral.

for the brief lull, the killings resumed
with renewed ferocity. er-sharing, through negotiations with the white authori-

ties, and a mixed economy. Broadly, the UDF factions attract the young who reject the old tribal traditions and disciplines and aspire to the vision of a socialist, non-racial society dominated by the ANC. On the other side, Inkatary conditions.

This picture must be qualified with the usual health dielectric properties.

ANC. On the other side, Inka-and possibly up to 10 UDF aupporters who were killed at old-established hierarchy of the New Year. Their taxi was conditions. village chiefe and the tradiabnormally sensitive to the vagaries of monthly trade figures. Yet on balance the adjustment process is begin-

attacked the rest of my fam-ily at home. They threw ing their victims at the very stones, poured petrol over the house, set fire to it and forced Leaders of the two rival my family to stay inside. movements earlier this month UDF spokesmen have openly They killed my mother, my did put their signatures to a accused the police of support-wife, my 20- and 16-year-old Courch-inspired document ing Inkatha as part of the

Anthony Robinson reports on the violence between rival black groups in Natal



A brutal fight for supremacy

In a graveyard high up in side of the violent saga. Here lie the bodies of at least three (the official police estimate) and possibly up to 10 UDF ambushed by Inkatha gunmen

with renewed ferocity.
As the carnage has mounted

the surrounding hills at Sine- so have doubts over the Govthingi, a village three miles from the hospital, an untidy row of fresh graves dug out of the red earth tells another situation in Natal and the relative calm which police and military operations have restored to townships in the rest of South Africa, where 2,500 blacks died in two years of violent revolt. Cynics argue that Pretoria

has seen some advantage both at home and abroad in the nightly displays of black-onblack violence. From this and that tough measures to suppress "anarchy" are some-times justifiable.

At the same time, leading UDF spokesmen have openly accused the police of supportsons and badly burnt my sis- calling on their supporters to wider struggle against the lu-governed ter who came specially from stop the violence. But after a ANC. But Inkatha accounts of around Durban.

the authorities' treatment of its supporters echo UDF com-plaints of police racism and

white suburbs report hearing shots at night and seeing the glow of burning black homes from their bedroom windows. But despite this everyday detachment, the continuing violence, and the apparent inchilities, an apparent inability or unwillingness of the security forces to suppress it, is hardening white attitudes. Opposition is mounting to

regional government for Natai, incorporating the Kwazulu homeland headed by Chief Buthelezi. The proposal was formulated by Inkatha, white liberals and white business leaders at a Kwazulu homeland. ness leaders at a Kwa-Natal "Indaba." Once regarded as a bastion of English-speaking bastion of English-speaking white liberalism, Pietermaritzburg has switched allegiance from the Progressive Federal Party (PFP), which supported the Indaba proposals, to the ruling National Party, which took two local PFP seats at the white general election last May. The top priority now for the National Party Government, which has rejected the Indaha proposals, is to prevent the

proposals, is to prevent the right-wing Conservative Party from gaining control over white town councils in nationwide municipal elections in October. The Conservative Party has sought, as part of its election effort, to capitalise on the Government's apparent inability to control the Natal situation.

Local Inkatha leaders con-cede that the UDF appears to have strengthened its hold, especially in townships clos-

In effect the violent strug in 1427. (An attempted poll gle around Pietermarktaburg tax under Richard II in 1380 has created a separation of led to the Peasants Revolt.) has created a separation of communities. Inkatha "war-lords" defending their turf are now faced by UDF self-defence groups. They have created their own strongholds in the townships which they have renamed Cuba, Angola, Moscow and Libya and marked out with white paint.

How long the UDF "comparedes" will be able to maintain their position is open to question. Already several question. Aiready several more than twice as much as hundred UDF activists have the Purchase Tax it replaced, been detained under the emer. There has been a strong gency regulations which have decline in the contribution of

area with high unemployment and few opportunities.

The police, who under the sitting in Inkatha's well-guarded regional office next to Edendale hospital, Mr Thabethe completes his tale. "We buried my son on December buried my son on December 21. The following day they along the ambushed vehicle, along the ambushed vehicle, along the ambushed vehicle, and few opportunities.

The police, who under the point of view, Pietermaritz-buried of violence in South Africa is not organisation nationwide. The contribution of been detained under the energy gency regulations which have been used to weaken the organisation nationwide. Contribution of been detained under the energy gency regulations which have been used to weaken the organisation nationwide. Contribution of been detained under the energy gency regulations which have been used to weaken the organisation nationwide. Contribution of been detained under the energy gency regulations which have been used to weaken the organisation nationwide. Contribution of been detained under the energy gency regulations which have been used to weaken the organisation nationwide. Contribution of been detained under the energy gency regulations which have been detained under the energy gency regulations which have organisation nationwide. Contribution of been detained under the energy gency regulations which have been used to weaken the organisation nationwide. Contribution of been detained under the energy gency regulations which have organisation nationwide.

Although the Edendale valley is not part of Kwazulu but inflation until the 1970s.

Another striking feature is that organisation and to be detained under the energy gency regulations which have organisation at the contribution of been detained under the energy features. is not part of Kwazulu but inflation until the 1970s.
under Pretoria's jurisdiction,
Inkatha is backed by the that nine-tenths of tax reverestriction of the state of the two years ago in the Kwazu-sion far more difficult. lu-governed townships A few innovations, such as



Taxation by Political Inertia

By Richard Rese and Terence Karran Allen & Unwin: hardback £25 paperback £9.95

BY FAR the greatest propor-tion of what a citizen pays in taxation is not determined by the Chancellor's annual Bud-get; and often individual taxes can be traced back many centuries. This is just as well: no economy could sur-vive annual revolutions in the

way it is taxed.

The authors of this timely study have performed a service by demonstrating in detail the marginal nature of the decisions over which so much fuss is made at Budget time. The tax burden, as a proportion of gross domestic product, is now higher than in the last year of the last Labour Government. "Indeed in every advanced industrial

especially in townships closest to Pietermaritzburg. But UDF leaders like Mr Appiah Chetty, the UDF's Natal Midlands secretary, fear a major counter-offensive by Zulu regiments, or "impis".

Inkatha leaders deny such plans. Such tactics, they say, might restore "peace" for a while but would make martyrs out of the UDF and play into the hands of the ANC which, they believe, is masterminding the conflict as terminding the conflict as financed. Costoms and Excise part of its overall strategy to destroy Inkatha. financed. Costoms and Excise part of its overall strategy to destroy Inkatha.

Pitt's income tax, turn out to

have big consequences for revenue. But typical Budget packages have a small impact, both gross and net, and are aptly named "fringe tuning". Adding together all Budget decisions, positive or negative, the average annual impact has amounted to 4.5 impact has amounted to 4.5 per cent of revenue. The average net impact has been to reduce revenue by 2.4 per

Even these percentages are much exaggerated, partly because many new taxes are old ones in fresh clothes, for instance, Profits Tax became Corporation Tax. More importantly, the authors count as tax reductions changes which tantly, the authors count as tax reductions changes which merely offset fiscal drag - the tendency of taxes, especially income tax, to rise faster than income because of both real growth and inflation. Inflationary fiscal drag has, since 1978, been taken into account 1978, been taken into account in the Budget ststement (although not in the estimates by the authors of this book). Real fiscal drag is not recognised at all in British Budget

practice. lt is fiscal drag, both nominal and real, that has so spec-tacularly increased the number of people paying income tax from 3.8m, or less than one fifth of the people at work in 1938, to more than 20m or 90 per cent today.

The deceptiveness announced Budget cuts may help to explain the poll find-ings that, although tax changes affect government popularity, they count much less than other aspects of economic performance, such as unemployment, inflation and

strikes Despite all the fascinating information it contains, con-firmed Budget watchers will find many parts of the book labour the obvious. Although the authors are well aware of fiscal drag and discuss it at length, they still devote a lot of space to the behaviour of revenue in cash terms - information of doubtful worth when, over their chosen period of 1948-85, prices rose to 12 times their original level and the nominal national income multiplied by 30

A political scientist might also complain that while the book explains normal fiscal inertia, it does not explain the occasional revolution or radi-cal change. Examples are the shift to lower rates and a hroader base under the present New Zealand Labour Government, the US package of 1986 or the major shift from income tax to VAT in Sir

Geoffrey Howe's first Budget But what I miss most is the authors' failure to explain more forcefully that real fis-cal drag causes the proportion of the national income taken in tax to rise after a suppos-edly nentral Budget. Fiscal drag is not due to the fundamental political characteristics of man, but to the fact that the tax thresholds and brackets do not automatically go up with rising real incomes. The effect would disappear if the thresholds were stated as a proportion of earnings or eimply linked to an index of nominal earnings. Historical accident explains the failure to do so in the past. But failure to do so now is God's great gift to the collectivist.

Samuel Brittan

Ford looks to the future

THE PAY negotiations at monise the terms and condi-Ford, which reach a critical etage today, are a test of how workers to create a single pay far the British car industry can maintain the momentum of improvement in working practices and production methods. If today's talks fail, the unions, backed by an 88 per cent ballot vote among the 32,500 manual workers. have said they will start their first national strike for a unions: the majority for a decade, from Monday. This strike is one of the largest show of militancy does not ever. This in itself is an indipresage a return to the bad old days of strikes and dis-ruption in the industry. It does suggest that the unions, helped by the buoyant car market, have recovered some market, have recovered some and justifying opposition, of their confidence and that without plunging into a their acquiescence in the process of change cannot be

taken for granted. Ford, always a pace-setter in industrial relations, has moved on from redundancies in the early 1980s, and an attack on demarcation lines in a two-year agreement signed in 1985, to outline a coherent vision of a reformed produc-tion system in its latest pay and conditions offer. After the introduction of a basic measure of flexibility in the last two years, this offer would maintain productivity growth in a more sophisticated way. The company is developing a new pattern of production rather than simply removing the bad habits of

Work teams

The foundation would be work teams, in which for the first time there would be some flexibility between skilled and unskilled workers. Established patterns of authority on the shop-floor would fade away: traditional supervisors would gradually be replaced by group leaders recruited from the shop-floor. more efficient, rather than

enforcing work rules. To allow greater flexibility hetween ekilled, unskilled and white collar workers, tha company has offered to har-

structure. In addition the company is offering a pay increase of 6.5 per cent in the first year, with rises in the subsequent years tied to the rate of inflation.

This comprehensive offer has met with an equally comprehensive response from the cation that the unions have begun to adapt to the new ter-

ued improvements in effi-clency. They may want to limit and redirect change, but they now accept that it will

A strike could put at risk the gains made in the last two years. But as union officials years. But as union officials acknowledge, the ballot should only trigger a strike if there is some misjudgment in negotiations. The company could modify its proposal to introduce limited numbers of temporary workers to meet peaks in demand. It could go for an agreement lasting two peaks in demand. It could go for an agreement lasting two

the advances towards greater flexibility, a harmonised pay would be as well to be a structure and more employee the start. Pairclough argued. involvement, ahould be carinvolvement, ahould be car- Whelan's four-page "prospec-ried forward. Despite the tus" proved to be the clincher. recruited from the shop-floor.
Supervisors would in turn become managers, concentrating on making production more efficient rather than process of modernisation at Ford would be a bad augury

ideas man for thinktank

CEST, the new thinktank for which Britsin's big science-based companies as well as the Government have such high hopes, has found a chief execu-

tive. He is Dr Bob Whelan, a physicist from Cambridge, who has been seconded "indefinitely" by PA Technology, the technical consulting arm of the manage-

consulting arm of the management rain. The Government's union laws have again proved useful as a means of expressing and justifying opposition, without plunging into a strike.

Accepting change

There has been a rash of unofficial disputes as the wage talks have continued over the last four months, but this is hardly indicative of a general deterioration in industrial relations. The unions recognise the need for continued improvements in efficial disputes as the dispute of a general deterioration in industrial relations. The unions recognise the need for continued improvements in efficient of the management group.

Next Monday, Whelsn becomes head of the Centre for Exploitation of Science and Technology, the thinktsnk which is to underpin joint efforts by British industry and Government to put British science more effectively to work. Big business, in the shape of 20 science-based British companies whipped in by Sir Francis Tombs, Rolls-Royce's chairman, subscribed \$250,000 apiece for CEST. The Government found another £1m. Sir Robin Nicholson, former chief scientific adviser to the Government and provide ment group. CEST. The Government found another \$1m. Sir Robin Nicholson, former chief scientific adviser to the Government and now technical director of Pilk-

executive.

Whelan won a unanimous vote from the high-powered appointment committee, which included Tombs and John Fairrather than three years. Other concessions are possible.

What most are possible.

Branson's pickle

OBSERVER Gorbachev's new policy of openness by signing an agreement in Moscow yesterday to run package holidays for British tourists on the Black Sea coast.

Proved may have been taked that the sepertence the word that it was residue for the servant at the sepertence that th

Branson may have been taking glassnost a little too far, however, in carrying with him

a few samples of one of his products, the Mates condom, or the "tovarich" as it would probably be called over there.

The severe shortage of contraceptives in the Soviet Union is causing concern about the possible spread of AIDS and apparently his hosts appreci-

ated the gesture.

They were less appreciative of his comment that he had spent the night in a bed once ueed by Lenin in Moscow's National Hotel. The founding father of Soviet communism must have been turning in his grave at the thought of an arch capitalist sleeping in it, said

ington, was persuaded to become CEST's chairman.

Late last year CEST found a home with Manchester University. But it still lacked a chief executive.

Whelan won a unanimous Russians were shivering in the Russians were shivering in the long queue to view Lenin's embalmed remains in the red granite mausoleum.

School report

#The London Business School s building its own ball of fame

with today's announcement of its first list of fellowships and honorary fellowships.

The fellowships go to Dr Arthur Earle, the school's first principal when it was established to the school of the lished in 1965, Sir Ronald Dear-ing, the former chairman of the Post Office, Sir John Egan, the chairman of Jaguar Cars, and Bernard Taylor, the chief executive at Glaxo.

Egan was one of the school's

for the rest of British industry, most of which lags even further behind its overseas competitors.

Bianson's pickle

Inst graduatee, having competed a two-year course in first graduatee, having competed a two-year course in furniture. While he said he was the was a sign in his bedroom saying: "in case of fire the Chippentale furniture. While he said he was competitors."

Inst graduatee, having competed a two-year course in furniture. While he said he was competed a two-year course in furnit

comes to national heritage it seems to me the Royal Navy is even more important than Chippendale furniture."

The trust, which aims to act

The trust, which aims to act solely as a pressure group, already has a rough shopping list which features the controversial acquisition of HMS Dreadnought, the first British nuclear submarine; controversial, not because someone should want it – after all it has been laid up in Rosyth for five years – but because the Ministry of Defence doesn't know what to do with it.

While there is space for the showed that it was possible for someone who had never even run a toffee ehop to manage a nationalised industry. No doubt the lessons learned at LBS

While there is space for the snbmarine at Chatham, the MoD remains undecided about its future. A spokesman said the lessons learned at LBS helped.

The honorary fellowships go to Sir Terence Beckett, not only of Ford and CBI fame, but a former chairman of the school's governing body; Lord Franks, one of whose many reports led to the founding of the school; Philip Nind, a formative behind-the-scenes influence on the establishment of management education in Britain; and Lord Plowden who, like Franks, presided over all sorts of official inquiries, but is rewarded now for having been, like Beckett, a chairman of the governing hody. yesterday that the problem was the Dreadnought's nuclear reac-tor – still live. "At the moment we are looking at ways of dis-posing of the reactor. It may well turn out that the easiest well turn out that the easiest way of doing that is to sink the whole thing out at sea," he said. This may explain Maritime Trust director Sir Patrick Bayly's observation that two letters to the MoD inquiring about the vessel had been unanswered. He said: "I suspect it'e too hot to handle."

> Desert island Bob Since his elevation to the leadership of the SOP, Robert Maclennan has been pondering his choice of records should he be invited as a guest on Desert Lead Disc.

ett, a chairman of the governing body.

The power to bestow fellowships came from the Royal Charter granted to the school in 1986. The awards will be made at a celebratory dinner some time in the summer.

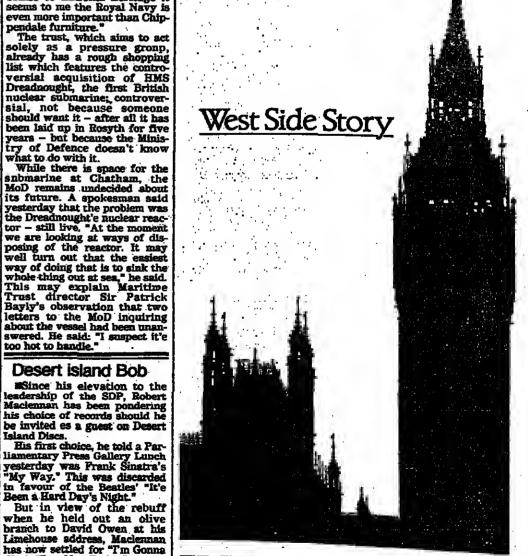
One has the feeling that future awards will be worth watching. Will they be simply another list of the great and the good or are there new names coming up? Today's list is not too bad a start. be invited as a guest on pesert Island Discs.

His first choice, he told a Parliamentary Press Gallery Lunch yesterday was Frank Sinatra's "My Way." This was discarded in favour of the Beatles' "It'e Been a Hard Day's Night."

But in view of the rebuilt **England expects** But in view of the rebuff when he held out an olive branch to David Owen at his The newly formed Warship Preservation Trust was launched in typically bellicose fashion aboard HMS Belfast

Wash That Man Right Outs My Hair." Assuming, of course, that he gets the invitation: even Michael Heseltine had to wait yesterday with several well aimed broadsides at certain institutions which could stand accused of neglecting our naval until this month.

Founder member Sir Philip Goodhart, Conservative MP for Beckenham, was clearly irked that £6m had been found last Good advice MA reader recently in Jordan



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Philip Stephens describes the economists' debate on whether the US currency has further to fall

Guessing the dollar's true rate

Prime Minister, has a stock answer for journalists who ask about his judgment on the right level for the dollar. "Only God knows" is the dis-

armingly honest reply.

Such humility is the exception rather than the rule among the pol-icy-makers and economists whose conflicting views on the US cur-rency keep foreign exchange trad-

ers in business.

Mr Nigel Lawson, Britain's Chancellor, insists that, if anything, the dollar's decline over the last two years has left it undervalued.

years has left it undervalued.

Mr Rudiger Dornbusch, professor of economics at the Massachusetts Institute of Technology, argues that another 25 or 30 per cent dollar fall against the D-Mark and yen is needed — and leaves a suspicion that once that has happened he will call for something like the same again.

one can find academics who believe that the US currency should rise; or senior policy-makers who will tell you in a whisper that another 10 per cent devaluation will probably do the trick.

In less complicated times, the search for the middle ground would have focused on purchasing power parities (PPPs).

The theory is straightforward enough (it was apparently grasped by Spanish scholars as early as the 16th century): over time exchange rates should approximate to levels which will balance purchasing power in different markets.

That, in turn, should ensure equal competitiveness between trading nations at similar stages of economic development. From that starting point, changes in exchange rates will merely reflect varying

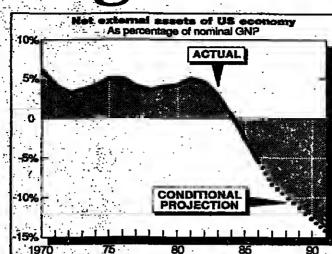
inflation rates. But, of course, nothing in economics is that simple. A range of obstacles stand in the way of assessing which exchange rate levels approximate to purchasing

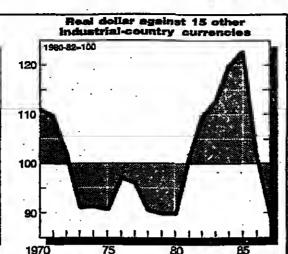
power parity. Economists' equations cannot capture those special factors - tax systems, different pricing and profits structures, fashions and trade barriers - which inevitably distort-price levels in different markets.

Calculating the necessary exchangs rate changes to take account of varying inflation rates is far from straightforward. Japan's experience in the 1960s, when the prices of its tradable goods rose far less rapidly than costs generally in its economy, indicates that consumer price indices are far from perfect.

The economist also has to choose

what period to use as a baseline whether to measure price changes





from a single year when trade posi-tions were close to balance, to use average exchange rates and price changes over a longer period, or to rely on absolute price levels at cer-

tain points.
Valiant efforts have been made.
Mr David Morrison, an economist at Goldman Sachs, for example, is brave enough to publish each month a set of PPPs for the major currencies, based on survey data of absolute price levels in 1980, updated using wholesale prices. The answers he gets are startling. On a trade-weighted basis the dol-

lar is now 20 per cent undervalued against other major currencies.
Against the D-Mark and yen it is
more than 30 per cent below the
levels implied by PPP.
Mr Ronald McKinnon of Stanford
University in California uses two

entirely different methods, but comes out with similar answers.

Neither believes that such rates

are currently sustainable. But other economists make quite different calculations.
Unpublished work by one Euro-

pean central bank (using average export price and exchange rate data since 1960) suggests that the dollar is within about 5 per cent rather than 20 or 30 per cent of its

Even if PPPs are relevant when trade positions are in rough balance, they are not appropriate at a time of massive imbalances. More important is the "equilibrium" exchange rate. For the dollar that means an exchange rate which is sufficiently competitive to reduce the US current account deficit to a

That does not imply that the cur-rent account should be in exact bal-

ance. Differences in savings and investment behaviour, between Japan and the US in particular, might point to a continuing deficit over the medium term. But that gap must be small enough to prevent the unremitting build-up in the country's external debt which is

. It is here that the water gets muddier. A consensus on the causes of the trade gap is needed to judge the contribution that the dollar's depreciation since 1985 will make to its correction. That consensus is

far from complete. In general terms, the proximate causes of the deficit are widely understood - the combination of dollar over-valuation and much faster economic growth in the US than

To those must be added such trends as the cut in imports by heavily indebted countries, the col-lapse in world farm prices and a shift in comparative advantage towards newly industrialised countries (Nics) in Asia.

There is also little argument over many of the forces which have led to the deficit's persistence despite the return of the dollar's real, or inflation-adjusted, exchange rate to the level of the late 1970s.

The J-curve (the lag before improving trade volumes outweigh the impact of devaluation on trade prices), the sheer size of the gap tween imports and exports, and the flexibility of Japanese exporters have all had an impact. What is missing is a consensus on the relative weight of such factors

and on the more fundamental A series of studies sponsored by the Washington-based Brookings Institution and related work by two economists at the US Federal Reserve Board have done much to

fill the gap.*

The studies conclude that about two-thirds of the trade deficit can be accounted for by the dollar's rise in the early 1980s. Another third can be explained by the coincidence of buoyant growth in the US and the sluggish pace of expan-

Superimposed on these factors (and offsetting a favourable trend in oil trads) are a host of largely unquantifiable factors, including the debt crisis and rapid industrialisation in countries like South

Kores and Taiwan. Underlying the two main proxi-mate causes, the studies see the widening fiscal deficit as the driv-ing force behind differences in relative growth rates and as a (fairly small) factor in the dollar's appre-

Much of the rest of the dollar's rise is explained by a tightening of US monetary policy in 1980, although the currency's final spurt in 1984 cannot be explained by eco-nomic models.

The implication is that the deficit will be eliminated only by an oppo-site mix of policies: dollar devaluation, a tighter fiscal policy to allow resources to be transferred from the domestic to the external sector of the US economy, and more rapid growth in demand overseas. Coovincing though the Brookings

research is, it does not win univer-sal acceptance. Mr Dornbusch, for example, attaches markedly different weights to the causes of the deficit. Up to two-thirds of the present trade gap, he says, is unre-lated to the dollar's overvaluation

in the first part of the 1980e.

The rest reflects the cumulative differential in domestic spending between the US and other industri-

alised nations; a \$60bn deteriora-tion in the US trade position with the Asian Nics; and the debt crisis. Explaining the persistence of the deficit, Mr Dornbusch puts much less weight on transitory effects such as the J-curve and far more on

permanent structural factors.

He cites as a example the ability of Japanese exporters to offset the Impact of the dollar's nominal depreciation by cutting wages and profits and switching component

sourcing to low-cost suppliers.
Such differences are of more than academie interest. Any assessment of whether the US trade gap can be closed at present exchange rates has to include tenuous assumptions on trends ranging from relative economic growth rates to prospec-tive oil prices.

Just as the deficit was caused by a complex series of policy shifts and structural changes, it will not be solved by the reversal of a singie trend.

The evidence does support those who argue that a further depreciation will be needed. Virtually all medium-term forecasts suggest that, on present trends, the US will be left with a current account defi-cit of close to \$100bn after 1989.

The dollar's fall so far has made the US competitive, but not com-petitive ecough from a starting point of imports 60 per cent higher than exports.

The Brookings work also suggests that a further depreciation would be a natural corollary to additional action to reduce the US budget def-

What is not self-evident, however, is that a dollar devaluation oo its own will work. Without a deci-sive downward shift in US domestic demand, the chances must be high that s further depreciation would simply be dissipated in rising inflation.

That makes isolated forecasts that the dollar should fall by 10, 15 or 20 per cent almost an irrele-vance. So Mr Takeshita's answer includes a great deal of common

* External Deficits and the Dollar; edited by Ralph Bryant, Gerald Holtham and Peter Hooper, Brookings Institution, Washington DC. The US External Deficit: Its Causes and Persistence; by Peter Hooper and Catherine Mann, International Finance Discussion Papers, US Federal Reserve Board, Washing-

Lombard

Learning from De Benedetti

Ultra-cynics see him as a respectable industrialiat turned arbitrageur, raiding his way to riches, even if — like America's Carl Icahn — he gets embroiled in industrial management along the way. Others see him as the visionary he claims to be, building a trans-European holding com-pany with the political and financial clout to support a set of industrial and financial set of moustrial and intancial sub-groups, each with their own strong business logic. A third view, especially popular in his native Italy, considers his real goal to be slightly different: the temporary use of a wide range of industrial investments to become

urope's top banker. But suppose his objectives are as straightforward as he describes them. Does this herald the successful return of that largely discredited animal, the widely diversified multinational conglomerate? If so, should other companies absidon their self-limited commitment to just one or two core businesses, and try to follow the De Benedetti route?

Mr De Benedetti and his lieutenants distance themselves from the parallel with conglomerates euch as Harold Geneeo's iTT. The latter tried to manage themselves centrally, and shifted both finaneial and human resources across their disparate activities. The De Benedetti camp talks of creating an "invest-ment company" which holds a diversified portfolio, with separate managements and stock market quotations, and which is large enough to exert financial leverage internation-

ally.
Rather than building either a conventional conglomerate, or a pan-European version of Sweden's famous Wallenberg empire, this approach has

MOST EUROPEAN opinions on Mr Carlo De Benedetti spite of their questionable have split three ways since last week's audacious assault on the venerable Societe Generale de Belgique.

To the relatively focused company - epitomised by most of the enterprises featured in the FT's Target Europe series, concluded last Fridsy - the De Benedetti approach might therefore seem of little exemplary value. Nor might there seem much relevance in his arguable claim that there is logic in his pattern of investment sectors: they now include office equipment, food, machinery, car components, publishing, banking and

be dangerously blinkered. The average company, without a fleet-footed financial and diplomatic genius at its head, would obviously be foolhardy to attempt to emulate Mr De Benedetti in any literal sense. Yet his spproach is immensely significant for almost every European company, especially in conservative Britain. For he is demonstrating the enormous ownership and restructuring opportunities which are up for grabs right across Europe as it prepares for a unified formulation market after Community market after 1992. Whatever else Mr De Benedetti may be doing, he is exploiting this instability to build a set of promising hases in sectors where established competitors (including focused companies) have failed to move with sufficient

The constituency which should take most note of the De Benedetti example is, of course, Europe's established conglomerates. Some, such as Finland's Nokia, are moving equally fast to annex companies all over Europe. Others, notably Britain's Hanson and BTR, continue to fight shy of most opportunities on the Continent at a time when they are more numerous than ever more in commoo with the tra-ditional Gallic form of loose opportunism should be emu-"financial holdings". Such lated, not decried.

speed.

The effect is a gradual one

From Mr David Damant. . Sir, A few points might be added to the comments by Lex

company effect.
First, this is not simply a question of small companies out-performing large companies. The superior returns shown in the London market over the last 30 years seem to-manifest themselves as soon as. one begins to go down the list

The effect is a gradual one.
This would be expected in a generally efficient market, because the factors which make a small company a less at the small company at the sma a small company a less attrac-tive investment (lower liquidity, fewer analysts following the company, and so on), and which the market is therefore ilkely to price to provide inves-

the line reflecting the increase in returns as size decreases may become less steep over time. But it may eventually reach an equilibrium point and move no further, leaving some of the increasing return in place. This is a separate point from whether the small company whether the small company effect is always positive – which of course it is not, although the negative years in the UK are very few.

appear to exist in the London market, in that shares in small companies appear to be less

Letters to the Editor

probably inappropriate in this context. The risk involved may be rather higher than the beta calculation would suggest. This can be overcome by an appropriate structure to a portfolio, just as the cost of dealing in

31-45 Gresham Street, EC2

Congratulations can be in order

tors with a higher return, are factors which begin to show themselves from the top of the capitalisation list downwards.

If this is the case, a possible development in markets, as the phenomenon is studied, is that the line reflecting the increase.

Can be in the little to the congratula your Lex column for sayin "Better be a foreign exchange the line reflecting the increase."

(January 2) Sir, I write to congratulate your Lex column for saying: "Better be a foreign exchange expert than an investment ana-

expert than an investment analyst...." (January 2)

Over the years I bave found it difficult to understand why so many UK and US investment advisers have appeared to treat the choice of currency almost as an afterthought to choice of investment within the currency almost as an afterthought to choice of investment within the currency almost as an after thought to choice of investment within the currency and the currency almost an afternation within the currency and the currency are the currency and the currency and the currency are currency and the currency are considered. investment within that cur-rency; and I have had to conclude that there is a tendency as ever - for commentators to stress the factors with which they are familiar, rather than those that will heve the great-A real insificiency does est effect on the outco

As S Swiss who has seen the US dollar fall from SFr 2.80 in 1985 to below SFr 1.30 at the companies appear to be less risky than they ought to be, hearing in mind the higher return. A couple of points can be made about this.

First: there are reasons (as mentioned abovs) for the higher returns as companies get smaller, and these may not be reasons reflected in volatility. Second: for a number of reasons will remember when they got rightful reward in the residual reward in the would only serve further would only serve further would only serve further that UK and US visitors to Switzerland presonation to think about. Bot it was only in the early 1970s higher returns as companies get that the US dollar was worth the battle.

Second: for a number of reasons will remember when they got rightful reward in the would only serve further would only serve further than they are rightful reward in the would only serve further than the forgiven for stressing the fact of investment life that UK and US visitors to Switzerland presonation to think about. Bot it was only in the early 1970s higher returns as companies get that the US dollar was worth the battle.

G. Purcell, G. Fore Street, Troubridge, Willshire

the measure of risk by beta is 12 Swiss francs to the pound sterling as opposed to the SFr 2.30-SFr 2.40 that they get today. Hans-Urlich Stucki,

Stucki & Altenburger 10 Dufourstrosse,

Bank staff should share in the profits

Prom Mr G. Purcell. Sir, 1 feel 1 must take issue with the Lex column (January 13) about bank profits, and the criticism offered on the deci-sion by the boards of the clearing banks, seeking shareholder sanction to make exceptional "profit sharing" payments to staff at a time when 1987 annual results will be ravaged by massive third world debt

under considerable pressure to increase their already high profit contribution, and the fact that many millions have been lent to sovereign borrowers, probably by a small collection of City-based senior management, is quite unknown to

Profit sharing schemes were introdoced to enable all staff to reap some of the benefits of their endesvours. To deny a rightful reward in this case would only serve further to damage the existing low morals. in the high street branches of our major banks.

One must not blame the foot soldiers when the generals lose

Charity need not begin with credit

Sir, I have received a mailshot from Bank of Scotland announcing their latest Visa to it, will attract a \$5 donation to the National Society for the Prevention of Cruelty to Children, with further donstions if spend \$400 per month.
It seems to me that this is a

particularly distasteful form of marketing, especially by a major bank.

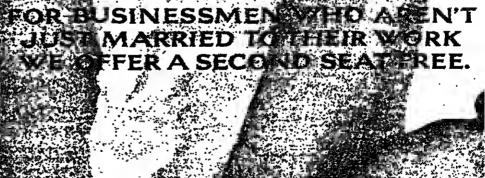
Probably coincidentally, but nevertheless badly timed, the nevertheless badly timed, the mailshot arrived on the same morning that the National Consumer Council published their report to the Monopolies Commission, saying that interest rates charged by the credit companies are too high, and impossible to highly. impossible to justify.

Surely if the major banks can afford to give away huge sums
(Bank of Scotland suggests that
over £Im annually equid be
available to the NSPCC, and
Barclaycard has recently introduced a gift scheme for card holders), then it would be fairer Almost all bank staff are to reduce interest charges to nder considerable pressure to customers and commission rates to suppliers. Shopkeepers, especially small businesses, are frequently - and sometimes rejuctantly - locked into plastic

> Clearly there are many deserving charities, including the NSPCC, which rely on our financial support, especially from the business community. However, I believe the sincere way to do this is in a quiet unpublicised way, and not to use underprivileged children to tug at the heartstrings of ger ous people who may already be fully extended in their mortgage and credit commitments. T.W. Robinson, Institute of Credit Management

Easton House, Easton on the Hill, Stamford, Lincolnshire

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ON

example) it looks as though e business trip is about to turn into an unexpected holiday for two.

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'Our press, TV and radio run down the UK's business prospects'

Sir, Am I the only person con-sistently irritated by the inaccurate and gloomy predictions of economists, and the carping

of economists, and the carping criticism of the performance of the UK corporate sector by financial journalists, highlighted by the current writers of the "Lex" column in the Financial Times?

Economists perform an important function in describing the past performance of economies and trying to predict the future course of events. In many cases their forecasting is inaccurate, and simed mainly at discrediting the Government's discrediting the Government's handling of the economy. As the most reliable guide to the economic performance of the UK has been Mr Nigel Lawson, the present Chancellor, and

before him Sir Geoffrey Howe, I future than the chairman of tual grasp of business affairs am puzzled about the detracthat company. For example: Why is there not some recognitors' motives. Is it simply that results come out from Hanson tion of the achievements?

am puzzled about the detractors' motives. Is it simply that they get their sums wrong? Or is it something more sinister, perhaps attempting to destabilize the system?

If the past record is anything to go hy, their recommendations should be at best ignored. The truth is that academic economists are the most impractical of people: they have never had to run a country or a business, but criticise those who have that responsitions who have that responsitions the ideas of the future and are, something with two thirds of the current of the achievements?

A friend returned from a bridge to explain to people overseas why with two thirds of the current of the schievements?

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David Dodwell reports on the power and mystique of Hong Kong's mafia

Declaring war on the Triads

"TENTACLES of terror", the headline read. Hong Kong gangsters may be moving operations to the US," it contin-

months ago in Hong Kong's leading English-language news-paper, the South China Morning Post It caught a mood of grow-Post It caught a mood of growing anxiety over the re-emergence of Triad societies and organised crime in the British territory. It also captured the mystique that surrounds the Triads — analogous to Europe's mafiosi, or Japan's yakusa.

There was little of that mystique yesterday in Hong Kong's number seven court, where six senior office-bearers of the Sun Yee On Triad society were sen-

years' imprisonment for black-mail, and Triad-related Heung Wah-Yim, a bespecta-cled 54-year-old solicitor's clerk, sat expressionless along-side Chan Kin-Chung, the bald-ing director of a Buddhist temple, and his gangly 30-year-old son, Heung Chin-Sing, as the sentences were read out. It has been the longest trial

Yee On Triad society were sentenced to between 2½ and 7½

these three to be "the brains" tradition and clan-like ritual behind one of the territory's that bound members closely, largest and most feared Triad and ensured lifelong loyalty.

groups.

Police in Hong Kong's organ-ised and serious crimes branch are under no illusions that the imprisonments have struck any mortal blow to Triad power in

the territory.
There are an estimated 50 Triad societies operating in Hong Kong. Some have interna-tional criminal links but many more operate exclusively in Hong Kong and are unknown outside it. About 160,000 people in the territory are thought to be Triad society members. The scale of this criminal "force" is driven home when it is noted that Hong Kong's entire police force is only 25,000-strong.

Nevertheless, Triads today are a shadow of what they that the Triad menace had been removed.

A decade later, the glib confidence has gone. The police admit with increasing openness that Triads are alive and well

US unease

on Mideast

violence



were 30 years ago. Large-scale in the territory.
emigration from mainland As ever, their strongholds China in the wake of the comson, Heung Chin-Sing, as the sentences were read out.

It has been the longest trial ever held to try alleged Triad members. Over three months, the presentation of Triad documents, membership lists, and show a sentence of the comments of the comments. They brought with them not just powerful criminal organisations but also generations of the comments. sations, but also generations of tradition and clan-like ritual

Three decades ago, societies such as the infamous 14K, or the Chiu Chow Fuk Yee Hung, or the Wo society, were a factor in every Hong Kong person's daily life. By the early 1970s, Triad influence had become so rife, riddling the police and government, that the Independent Commission Against Cor-ruption was spawned to cut out

the cancer. Within three years, after prosecutions, large-scale resig-nations, and a sudden rush of migration by implicated offi-cials, the Government claimed that the Triad menace had been

remain in Hong Kong's under-world: in the nightclubs, soooker clubs, massage par-lours and "fishball stalls" small dimly-lit bars
They are also the mainstay of

illegal gambling in the territory

as an astonishing territorywide swoop by 600 police officers in April last year revealed.

The 14K is much better
known than the Sun Yee On outside Hong Kong, perhaps because of its alleged domina-tion of the world heroin trade, and in part because of its asso-ciation with particularly grue-some crimes – often using axes rather than firearms.

But inside Hong Kong, the Sun Yee On appears to have been more widely influential, with a powerful organisation of about 35,000 members. Its power lay in the territory's large public housing estates, and in control of the less exotic building and contracting indus-

try.
The apparent invincibility of
Triad groups has been rooted in public unwillingness to expose their activities. For this reason, local police direction

Trial of strength for Ford's employees in Britain

"I WAS out for eight weeks in 1978, and I would be prepared to stay out longer this time," said Ron, a production line worker at Pord's assembly plant at Dagenham, east of Lon-

don.

With a national strike by the company's 32,500 manual workers planned for Monday, should pay talks today end in deadlock. Bon's comparison with the company's last national strike drew nods of approval from fellow workers.

"The company has to be told where to get off," said one.

What the company is being told is that the workforce rejects a three-year pay and

rejects a three-year pay and conditions offer which, com-hined with proposals for far-resching changes to work-ing practices, is one of the most radical deals yet proposed in the industry. the industry.

It is not simply an attempt to break established demarcation

lines.

Ford wants this agreement to lay the foundations for a reformed production system, huilt around work teams, in which skilled and unskilled workers would be interchangeable, and traditional supervis-ers would be replaced by group leaders recruited from the shop-floor, This comprehensive plan has

been met by an equally comprehensive rejection from the unions: 88 per cent of manual workers last week voted for strike action — one of the largest ever strike majorities. For the unions it is a test of

whether they can assert their strength on ground very different from the 1970s.

While the company hopes this agreement will maintain the momentum for greater flexibility and higher productivity cre-

Ity and higher productivity cre-ated by the two-year agreement signed in 1985, workers at the assembly plant said the deal had merely intensified the tra-ditional pressures of line-work. He described what modern, flexible, production means on the line: "Every 102 seconds a car comes by, and in between you have to tidy up, make sure your tools are repaired, make your tools are repaired, make

checks faults and quality. While the company said It had come to trust production workers with grenter respon-sibility, Ossie said this just

"It was n real change, before you had time, but now they shift you around so you are working all day for £115 (\$203) a week take home."

The intensity of work has fos-tered low morale, said Colin, who joined Ford two years ago. "People are leaving the whole time for other jobs. 1 am the only one left of the six who started with me."

He joined the company after a selection procedure he said was designed to recruit moderate, well-behaved, married men. It did not do much good: "I arrived a moderate, but coming to this place has made me mili-

Absenteeism is averaging 15 per cent, so high that the company cannot run the plant to schedule, said Jimmy, a shop

steward.

Resentment produced by this unstable mix of higher productivity and profitability, delivered despite low morale and distrust, has built into anger, said Jiramy.

It is not like the 1970s when

"It is not like the 1970s when you came in never sure you'd be at work for the whole shift. But people have been waiting for these negotiations for two-years. There is a new confidence that we don't have to put up with it."

Several line workers admitted that they and a lot of their

that they, and n lot of their colleagues, would settle for an improvement on the company's pay offer of 6.5 per cent in the first year, followed by rises in inflation in the subsequent years. This could contain the seeds

This could contain the seeds of division with skilled men who insist there should be no deal which includes the company's proposed changes to working practices.

Stave, a skilled mechanic explained: "Skilled men took a knock last time - welders, tin smiths, turners, they all lost the identity of their trades and became general maintenance."

became general maintenance

Now, after five years' apprenticeship, on low money, the company wants them to do unskilled work on the line. Instead of being able to move around the plant, they will have to monitor particular parts of the line, possibly under the supervision of unskilled men."

There is also widespread opposition to the introduction of temporary workers, the pro-posed length of the deal and changes to sick pay arrange-

Does this mean the company and the union are heading for an all-out strike?
"I doubt it," said Jimmy."We

want to put a marker down, but no one really wants a strike.

THE LEX COLUMN

Less growth than you think

Yesterday's fourth quarter GNP figures from the US had something for everyone. The first comprehensive US economic numbers since the stock market crash revealed a pattern of good news superimosed upon. good news superimposed upon-bed which left plenty of room for creativite unravelling.

for creativite unravelling.
On the face of it, 4.2 per cent growth comfortably exceeded expectations in the 3.0 to 3.5 per cent range – enough to trick the UK gits market into a quick dip on worries about overheating. Once behind the headlines, though, the evidence was mostly of growth for the wrong reason — n colossal build-up in inventories which accounted for fully 3.6 percentage points of the rise. Con-

sumer spending, meanwhile, seems to have awakened to the so-called wealth effect: it took its steepest plange since the second quarter of 1980. If the effects of stock build-up and

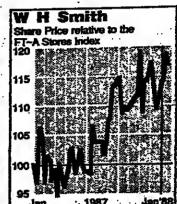
effects of stock build-np and strong export growth are stripped out, fourth quarter GNP actually fell and the reversal of the picture is complete – but still misleading.

Granted, rapid destocking from these levels must be almost unavoldable in the first quarter of this year, but this could well hnrt Hong Kong export orders more than US domestic output. And although consumer spending is likely to remain depressed, exports are no longer defying the logic of a weak dollar and are showing determined growth. What all this points to is an economy which, in the first and possibly second quarters of this year, second quarters of this year, will be slowing down nicely thank you - but not heading for

First half growth in the flat to 1½ per cent range could even leave room for lower interest rates, as the US bond market was quick to appreciate yester-day. The analysts' consensus is for a modest upturn in growth rates by the second half; whether the world turns out that perfect in the run-up to an election is another matter.

Ferranti

for the electronics sector. Quite apart from market rumours yesterday about telecoms conrects in jeopardy for GEC and Plessey, Racal and Ferranti have seen their shares drop 7 per cent apiece on the publica-tion of results. In Ferranti's case, the immediate cause yes-terday was the scaling back of analysts' forecasts for the defence business; more generally, the lack of clarity on the nomic outlook means that



the market is these days bound to shy away from any capital goods company which falls

short of expectations. It is quite possible to make a longer-term case for Ferranti, based on the ability of the newly acquired International Signal to feed Ferranti products through its international marketing network. The snag in the meantime consists of the flat outlook for defence in both the UK and US. In addition, the market is understandably suspicious of Ferranti's quality of earnings; this relates partly to such unexpected items as yes-terday's £3m profits from interest rate swaps, but above all to the fact that the obscurity of International Signal's activities constitutes an invest-ment risk in itself. At 80p, the shares are on a discount of some 10 per cent to the market multiple, but they may be slow to close the gap.

US takeovers-The sight of close to 1,000 US

corporations announcing plans to buy back up to \$38bn worth of their stock in the afternath of last October's crash might have been a bit of a publicity stunt, since it is far from clear been many install to continue how many intend to continue repurchasing their equity in a rising market. However, the current surge in US takeover activity cannot be dismissed as that corporate America, at least, thinks Wall Street is cheap. Yesterday, Black & Decker offered \$1.8bn, or 15 times earnings, for American Standard, bringing the value of major bids announced in the

and BAT Industries which are knickers?

bargain hunting. Black & Decker is much smaller than American Standard, but has American Standard, but has been able to convince its bankers to put up the finance not-withstanding recent traumas of its own. The other difference about the current US takeover wave is the virtual absence of the corporate raiders, who seem to be having a little more difficulty getting backing from their bankers. Nevertheless, it would be even better news for wall Street if corporate America was seen to be investing the ica was seen to be investing the same sort of sums in new plant.

W.H. Smith

Of the 15 "major events" that the once dull W.H. Smith lists as the landmarks of its last six months, two of the most recent seem to belong to an earlier, accident-prone era. However, the loss of £40m News Interna-tional business and the ban on its proposed book club sale may look nastier than they are. Probably the book club deal has merely been postponed, and possibly the hole in distribution profits can be filled by cutting costs and courting new custo

Meanwhile, there is a good deal more to the large rise in retail profits than the change in accounting policy from a previonaly over-conservative depreciation of high street properties. The strategy of improving and expanding existing chains is being carried out to the letter and seems to be working well. And with post-crash consumers more inclined to watch their pounds than their pennies, the average expenditure in W.H. Smith's shops of £3,20 looks like an asset at last.

Two dangerously placed banana skins may explain why the company is at no more than a sector rating: Maxwell may follow Murdoch, and VAT may be slapped on to books in the budget. Alternatively, the market may have noticed with alarm what has happened to other retail chains once their chairmen have been knighted.

Retail lending

Marks & Spencer has a baltation which would be the eavy of any financial services com-pany, and its decision to begin standard, bringing the value of major bids announced in the first month of the new year to around \$18bn.

The Black & Decker bid shows that it is not only cashirich giants like Eastman Kodak and BAT Indistries which are

underlined BY STEWART FLEMING IN WASHINGTON EGYPTIAN President Hosni Mubarak, in Washington for high-level talks that will

include meeting President Bonald Reagan, yesterday met Secretary of State MrGeorge Shultz, who also acbeduled enryrise discus-sions with two Palestinian leaders from territories occupied by Israel.

occupied by Israel.

The move was seen as a further sign of US unease about the brutal Israeli efforts to supress the violent proteets against the occapation of the Weet Bank and Gaza Strip.

In his meeting with Mr Reagan today, the Egyptian leader is expected to press for the US to support his efforts to promote Mideast peace talks. Mr Mnharak has proposed a six-month moratorium by both sides in the occupied territories and the occupied territories and

a halt to further Israeli set-tlement of the areas.

US officials, however, warn that, in spite of Mr Mnbarak's growing pres-tige, he is not coming to Washington with a detailed plan. They are hoping for an opportunity to move the peace process forward but point out that they would not expect an immediate breakthrough.

breakthrough.
"I would not expect this while we are meeting with a major player from the region. There are other players," one official said. Mr Yitzhak Shamir, the Israeli Prime Minister, is expected to visit Washing-

ton next month.

There is also widespread scepticism about the Rea-gan Administration's ability to play an effective role in the Middle East now that its term of office is drawing

Far Eastern Economic Review to cease Singapore printing

BY DAVID DODWELL IN HONG KONG

THE Far Eastern Economic 9 000 Review, the Hong Kong-based weekly magazine, is to stop printing in Singapore in a retal-iatory move against Prime Min-ister Lee Knan Yew's Govern-

Circulation of the magazine in the country was restricted by the Government and legal pro-ceedings started against it after it refused to retract allegedly defamatory accusations.

Mr Cbarles Stolbach, the Review's managing director, said yesterday that it was "no longer commercially attractive" to print the magazine in Singa-pore since the company had been denied circulation.

The Government now limits local distribution to 500 copies, compared with weekly circula-tion before the dispute of about

The Review is the fourth international publication to have its circulation limited in

Singapore after disputes with the Government. Since 1986 the Review has printed two-thirds of its 74,000 weekly copies on presses owned by Times Printers in Singapore. Mr Stolbach yesterday gave the printers two weeks notice of the intention to stop printing. It

defamatory. Legal proceedings began after the Review refused to retract the allegations, to apologise and pay damages. Mr Derek Davies, editor of the Review, insisted at

have called, since last year, for

changes in the law to make prosecution of Triad crimo easier. They have asked for

heavier fines and longer jail sentences, and also for amnesties for those who renounce Triad society membership, for protection for witnesses in Triad trials, one-way mirrors in identification.

identification parades, and restraints on the use of radio

pagers. Most important, they have

proposed the introduction of n

grand jury system akin to that in the US. This allows prosecu-

tion in private, and gives the court power of subpoens. They have called for the introduction of legislation similar to the US

Racketeer-Influenced Corrupt

Organisation (Rico) law that provides for forfeiture of assets

gained through illegal means.
It is unclear just how many of
these proposals will be acted on
in a community that is increas-

ingly attentive to civil liberties ahead of China's assumption of

sovereignty in 1997. The "ten-tacles of terror" are neverthe-less still here, and the imprison-

ment of even a "dragon head" is but a small step in the right

the time: We do not believe that anything we have pub-lished can be classified as defamatory against Mr Lee Kuan Yew. We will fight the case vigorously."

The Singapore Parliament

the intention to stop printing. It is understood that printing will revert to Hong Kong.

The dispute originates from an article about the arrest of alleged Marxists who had been accused of plotting to overthrow the Singapore Government. Mr Lee, the Prime Minister, claimed the article contained accusations that were false, damaging and The Singapore Parliament yesterday passed a law which yesterday passed a law yesterday passed a law which yesterday passed a law which yesterday passed a law yesterda

UK firms face difficulties in meeting systems deadline

SECURITY DEALING firms in the City of London fear that they will be unable to meet the April deadline for changes to their computer systems, with-out which they face expulsion from the markets.

from the markets.

Some senior managers are now saying openly that the changes, necessary for them to comply with legislation cannot be implemented in time.

In n near repeat of the confusion and anxiety which marked the development of new trading and information systems for

the development of new trading and information systems for deregulation 16 months ago, one manager said the position was "desperate," while another said his anxiety level had now reached "paramois".

Firms wanting to qualify as authorised to trade in the market will have to demonstrate, among other requirements.

once every two weeks.

Firms are complaining that the modifications necessary to their computer systems to achieve this capability are significant, expensive and time-consuming.

They also argue that interpreting the rule books of the Securities Association, the organisation which sets the

organisation which sets the rules and authorises firms to trade, is difficult and time-consuming.
Mr John Simmonds, chairman

of the Stock Exchange Manag-ers Association, said yesterday: "These are new games that we have yet to learn to play." Mr Colin Condren, compliance director at Barclays de Zoete Wedd suggested it might have ket will have to demonstrate, Wedd suggested it might have among other requirements, been better to have allowed a their ability to track their trad- gap of perheps six months

ing position against their capi-tal and submit detailed reports between setting the seal on the market rules and bringing them

Most of the bigger firms agreed that they were likely to be able to meet the April dead-

be able to meet the April dead-line.

Mr John Young, chief execu-tive of the Securities Associa-tion, said yesterday that the authorities were fully aware of, and had sympathy with, the problems faced by securities firms in meeting the deadline.

It would do everything it could to alleviate problems in the transitional phase, he said.

Firms that were making a genuine effort to complete

genuine effort to complete systems to comply with the reg-ulations would be given quali-fied approval in March.

Details, Page 12, UK auto-mated dealing to halve costs, Page 19

S.A. Gechem N.V.

has sold the polypropylene film activities of

Azofilm S.A.

Moplefan SpA

The undersigned acted as financial adviser to S.A. Gechem N.V. in this transaction.

Dillon, Read Limited

World Weather

Kohl East Berlin visit

Continued from Page 1

before Christmas.

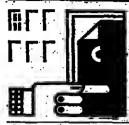
Furthermore, Bonn recognises that Mr Honecker's ing ont practical conservations on East Germans carries closs on East Germans carries such as technology and the risks for the East Berlin leader's recognition. risks for the East Berlin leadership. Mr Honecker's position over travel restrictions thon question, Britain, France
is "fragile," the official said, and the US have all sent minwith the 5m visits by East isters or officials on working
Germans to the West last
year threatening to lead to an
increase in the numbers wanting to emigrate permanently.

The official warned that French Prime Minister.

Honecker sent to Mr Kohl "expectations exceed possi-

SECTION III

FINANCIAL TIMES



lan

The scrapping of automatic regional grants, which has just been announced, is a logical development in

Government thinking. But, says Hazel **Duffy,** more help for inner cities will not help whole regions and the more fundamental subsidies continue to favour rich areas

Towards more self-reliance

EVERY WEEK there is good news from the regions. Another Japanese company sets up in Wales, Humberside secures its first Japanese investment, a new venture capital fund sets up in Northern Ireland. Demand-for industrial premises is going

up.
After the years of recession and decline in traditional manufacturing industry which devastated parts of the country, the UK's outlying regions are beginning to pick up the pieces

again.
The question that will have to remain unanswered for quite some time, however, is whether these signs mark not only the long-awaited recovery in their economic fortunes but also a period when the expansion of the economy can begin to be shared more equally around the

The Government would cer-tainly like to think so. The political limelight has been focussed increasingly on the inner cities rather than the regions, which are a more difficult concept. Mrs Thatcher has successfully switched attention from inescapable evidence that

pointing out that pockets of deprivation exist just as much in London - particularly in the eastern side of the capital - as

Her remarks, which have been echoed by Lord Young, Trade and Industry Secretary, hardly sound like a positive commitment to a regional policy. Lord Young's recent White Paper, which launched the DTI as the department for Enterprise, does nothing to remove such suspicions.

The screening of automatic

The scrapping of automatic regional development grants announced in the White Paper is a logical development in Government thinking. There has been understandable accepticism on the part of ministers that the existence of such grants has made much of an impact on regional development, although some mechanism needed to be retained to help the regions attract foreign investment. It has also to be seen in conjunc-tion with the recent decision to create no more enterprise zones in England (and probably the there is a North-South divide incentives have also been ruled trouble is that this is not by highlighting the areas of out as a way of encouraging enough. In trying to predict



Regional Development

Government assistance to the regions has been moving slowly towards the selective. But it was obvious that unless the virtually automatic RDGs were killed off, most companies would prefer the more straightforward route to public funds that they offered. Smaller com-panies tended not to go for either RDGs or selective assis-

Hence the changes, and the introduction of special grants rest of the country,) so that tax for the smallest firms. The incentives have also been ruled trouble is that this is not

their impact, it is important to recognise that the distinction between Development and Intermediate areas bas now gone. With the exception of the new grants to small companies, the same levels of assistance the same levels of assistance are available in the West Mid-lands, for instance, as in some of the hardened unemployment blackspots in the North East. In general, the emphasis which the DTI is placing on small and develop their own resources. The changes chould also be medium-sized companies applies to the whole country.

The natural dynamism of the South East, which has a record of higher formation of busi-

continue to be the area that will benefit most. There would seem to be little in the new package another article in this survey explains, the emphasis of the Fund, taken in cootext of the accession to the European Comthat will enable outlying munity of Spain and Portugal, regions to counter the growing accems likely to be directed pull of the Home Counties with increasingly at helping the

CONTENTS

EC regional policy: budget threat to funding Enterprise experiment neers its end UK policy: main features of the

Planning: the carrot and the stick North of England: an array of

Scotland: strategic enterprise

to the tune of around £180m

approach Clwyd: climbing out of the trough Dundee: a growing confidence Cambridge: msintaining an environment for success

over the next five years. Other British cities are awaiting the ootcome of similar applications for European funds. Concentration of resources on the inner cities, however, will not be enough to change the fortuces of whole regions. fortuoes of whole regions, According to a recent forecast of economic prospects to the year 2000 – a regionalisation of the Cambridge Econometrics Forecast for the national economy – the North-South divide will increase. Although anticipated growth in national output is expected to be sufficient to allow expansion in all parts of allow expansion in all parts of the country, it foresees some of the country, it foresees some of the regions losing rather than gaining jobs. It soggests that the population in the northern half of the UK will fall while rising in the Midlands and the South (the forecast puts the West' Midlands firmly back

among the wealthier regions within the next few years). "The future contrast is likely to be between a booming southern half of the country and a clowly declining northern half. In the past the contrast has been between a slowly growing south and rapidly declining oorth".

The South East, according to the forecast will grow only

The South East, according to the forecast, will grow only marginally faster than the national average. This is not so much because of any change in the fundamentals underlying the region'e prosperity, such as demand for financial and busi-ness exprises. The main researness services. The main reason is congestion, and the high cost of land for commercial activi-ties and domestic housing in the South East. The preseure on public services in the capital shows no sign of abating. But, there is little readiness on the part of the Government to relax public epending restrictions in order to improve services dra-

matically.
The beneficiaries of the coogested capital, however, will not be the North and Scotland, but East Anglia, the Sonth

West, and the East Midlands West, and the East Midlands, the regions bordering the South East, and to a lesser but still appreciable extent, the West Midlands, say the economists. The three regions (excluding the West Midlands) are expected to increase their employments.

meot by a quarter and their populations by 10-15 per cent by the end of the century.

The movement, by companies and employees, out of London and the South East towards adjacent regions has been a adjacent regions has been a notable feature in the rapid growth of East Anglia. That part of the South West closest to the South East, notably Bristol, has benefitted similarly. But expansion of indigenous companies, helped by the fact that industrial land has been South West are relatively low, have been contributory factors. The East Midlands, although further from London than much of the other two regions, has done well in manufacturing, often based on new and small

These trende uoderlioe the fact that when companies move out of London, they tend not to move very far. And that when internationally mobile invest-meot is in the offing, it also frequently comes to rest in the South of England,

The "new town" of Milton Keynes, in north Buckinghamahire, for instance, set itself a target of creating 3,500 new jobs a year. In the past four years, it has exceeded that target by at least 500 jobs s year. Total employment growth io Milton Keynes, designated io 1967, has exceeded that of all the Scottish new towns since their designation (which was mostly earlier). Furthermore, this has been achieved without any grants to induce incomers. The desire to be in or close to the South East is demonstrated by population growth in the 10

fastest growing areas (in pro-portional terms) between 1971 Continued page 8



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Budget crisis threat to EC funding

THE OVER-RIDING aim of the European Community's regional development policy has always been to reduce economic disparities between rich and poor member states.

The apparently poor progress towards European economic cohesion is partly a consecutive of consecutive consec

Lorraine to tourism infrastruc-Lorraine to tourism infrastruc-ture in Wales, should lie at the heart of attempts to promote economic cohesion.

1986.

"What we are saying is that we can't spread this jam more agenda at the European Summit thinly and we need more jam," agenda at the European Summit thinly and we need more jam," agenda at the European Summit allocation of Ecu 7bm to Ecu 6bm for clal. However, the proposals heve provoked howls of outrage is to shift the burden of regional spending. However, age is to shift the burden of resistance from the EC's major net budgst contributors, the

As such, the 13-year-old quence of successive Commu-European Regional Develop-ment Fund (ERDF), the Commu-nity's main regional policy accessions of Greece, Spain and instrument and provider of Portugal. Since 1975, ERDF grants for a vast range of proj-ects from a regional sirport in from Ecu 257.6m (\$177.7m) or

reform of a major package of is below average in well over reforms proposed early last half of the EC's regions.

year, including doubling the the proposals to do more to correct the imbalance are commajor part — and channelling more cash to the regions that to the EC Budget and its system need it.

"What we are saying is that the proposals to the EC Budget and its system of contributions, outlined last was cash to the proposals to the proposal

But the fund's administrators at the European Commission admit openly that it has failed to catch up with the growth of the task facing them that economic disparities that economic disparities 20 per cent of the EC's 320m citizens are still struggling with ferent regions are getting wider, not narrower.

Brussels' main attempt to set the balance right came in the average, while GDP per capita form of a major package of is below average in well over reforms proposed early last half of the EC's regions.

ERDF projects-1986 100 200 300 400 500 500 700 800 900 industrial sites Gas distribution Collection, Distribution, Water Electricity distribution Electricity supply Education

Source: European Commission

the richer member states, set UK. West Germany and France is likely to mean that the pack age as finally agreed by mem-ber states will include a much up strict curbs on farm spend-ing, and boost regional assis-It calls for a doubling in the smaller increase for regional

so-called structural funds including the ERDF, social funds and agricultural guidance fund - from the current annua

smaller increase for regional funding.

Even if the proposed increase in structural funds is scaled down to the 50 per cent that Mrs Thatcher, the UE Prime Minister, is believed to be prepared to accept, there should still be a major shift in resources to the south. This will come thanks to other Commissions proposals in the package to scale down the amount that goes to areas of industrial decline from 30 per cent to 20 decline from 30 per cent to 20 per cent of ERDF allocations and boost the balance that goes to underdeveloped areas from 70 per cent to 80 per cent.

This would benefit much of Ireland, the whole of Northern Ireland, Portugal, Greece, large parts of Spain and the Mezzoglorno region of Italy. The broad thrust is to give more help to regions that need to catch up—and less to softening the final throes of dying indus

Commission's response to a request for special assistance from Portugal, in the form of a
yet to be finalised with the
Lisbon Government - Ecu 200m
per year programme for the
next five years.

The sim of the so-called Pedip scheme is to help modernise Portugal's inefficient tradi-

N. Ireland out to

attract industry

directivity currently languishes as 40 per cent of the Community average.

In addition, the Commission's regional aid reform plans would ahandon the current system of setting ranges for the amount of ERDF assistance allowed individual member states. The present arrangements are full of anomalies, such as the allocation of a less generous range for Portugal, the poorest member state, than is the case for the relatively prosperous UK, perhaps a relic of the use made that risk losing out from the funds hack to Britain during Bradford, Strathclyde, Wales. the relatively prosperous UK, perhaps a relic of the use made of the ERDF to channel more funds back to Britain during the long-running wrangle over the country's budget contribu-

It is far from clear what will replace them, a matter which remains to be sorted out after the framework of the package has been agreed. But Mr Jacques Delors, the Commission The President, has hinted at a system of minimum guarantees for national ERDF allocations. whatever the end result, the broad aim is to shift more decisions on how to share out the regional funding cake to Brussels and to give the Commission greater flexibility.

All this has already raised land and Islands Development and Mid Wales Development.

suspicions in some quarters over giving the Commission more antonomy than many member states would like. Howmember states would like. However, the really controversial graphical remoteness and populated of the package yet to be decided is exactly how the into account as well as GDF per draw the line between the areas of industrial decline, mostly in the north, and the underdeveloped regions, mostly in the south.

Broadly, Commission officials are unsympathetic. For one thing, they point out, rural south.

likely to leave out large areas likely to remain the focus of EC of the EC which are neither regional policy.

declining nor underdeveloped, but still in dire need of regional details of what constitutes an funding. Nobody is certain area of industrial decline will exactly who the losers will be, have to be agreed by meaning that the states before going about a part of the states are states as a state of the states before going about a part of the states are states as a state of the states are states

tional industries, whose pro-ductivity currently languishes of France, rurai Wales, the as 40 per cent of the Commu-Scottish Highlands and Islands

new regulation memory.

Yorkshire, Manchester,
Bradford, Strathclyde, Wales,
Cornwall and the Mersey basin.

Along with this has come an
agonised lobbying campaign from the same quarters, offer-ing special pleadings for why their aid allocations should not

be scaled back. The spectacle is an ironic one. The British Government is in the forefront of those putting doubling of structural funds

Board and Mid Wales Develo ment are that Brussels should broaden its criteria for deciding eligibility. Factors like geo-graphical remoteness and popu-lation density should be taken into account as well as GDP per

a clear definition of underde-velopment as any region where the GDP per head is less than 75 per cent of the PC analysis and agricultural the social and agricultural funds. For another thing, the need to get the cash to where the GDP per head is less than 75 per cent of the EC average. Is — rather than to all deserving But defining areas of industrial cases — is over-riding. So long decline is harder, a controverative as areas like Thrakis in Grace, the poorest region in the EC expects to put forward its ideas are existing on GDP per head of shortly, say Commission officials.

The point is that any definition of industrial decline is underdeveloped regions are likely to leave out large areas likely to remain the focus of EC.

but the signs are that the states before going ahead — and regions most likely to fall that hinges on the outcome of between the two new categories the February summit.

Investment in

Ulster promises

4,200 more jobs



Enterprise Zones

An experiment ends

WHEN WORK on the giant oil rig ended at Scott Lithgow's Greenock yard last year and the colossus moved to its mooring in the North Sea, it left an equally giant hole in the economy of the lower Clyde. The rig was the last important piece of work in the yard and the outlook for the area became bleak. It is probable that Mr Malcolm Rifkind, the Scottish Secretary of State, will designate part of the area an enterprise zone in an attempt to rejuvenate economic life, hoping that the rates holiday, 100 per cent capital allowances and minimum planning considerations in the zones will act as a stimulant to activity.

The Treasury has the soading cost of the lower half, some solicy. However, a further 13,000 jobs have been supported directly or indirectly by the zone experiment, which must

protestations to the contrary, into an arm of regional policy.

Mr Nicholas Ridley, the Environment Secretary, has already stated there will be no more zones created in England. The door has been left open for Scotland and Wales, though it is likely they will take the hint given by Mr Ridley. The position in Northern Ireland remains unclear.

The bright hopes of a policy launched by Sir Geoffrey Howe back in the late 1970s when the Conservative were still in opposition, bas come to an end, defeated by financial considerations as much as snything.

Sir Geoffrey saw enterprise zones as a political move rather than an economic one. Their creation was intended to show that, given a small amount of government pump-priming,

government pump-priming, business would grow at a rapid rate once the bureaucratic constraints of officialdom were

cast aside.

Eleven areas were initially chosen in 1981 for this experiment: Swansea in Wales, Clydebank in Scotland, Balfast in Northern Ireland, and the Isle of Dogs in London, Speks in Liverpool, Corby, Dudley, Hartlepool, Salford/Trafford in Greater Manchester, Tyneside and Wakefield in England. Two years later the experiment was extended by the designation of a further 14 areas as well as extensions to some of the original ones.

The experiment is now all but over. The Treasury has become concerned at the soaring cost of the incentives and is believed to worried about an open-ended commitment at a time when the Government is in any case anxious to cut spending in order to provide room for manoeuvre on bringing down personal and corporate taxation.

In particular, it is worried

the zones will act as a sumulant to activity.

The Inverciyde zone is likely to be one of the last created in Britain, bringing to an end an experiment in Conservative political philosophy that bas turned, despite government protestations to the contrary, into an arm of regional policy.

The amount reimbursed to local But most important, the fig-ure has been rising sharply. The amount reimbursed to local councils in 1985-6 itself amounted to £27m, almost dou-bls the figure two years earlier and a third of the total. As new

and a third of the total. As new concerns locate on the zones the rates bill will inevitably rise.

The cost of capital allowances is more of an estimate and is believed to have come to £150m in the period. Another £164m is believed to have been ment on

in the period. Another £164m is believed to have been spent on land acquisition by public agencies and infrastructure and reciamation spending, but some perhaps much — of this might have been spent anyway.

The Government's own best estimate is that the zones have cost the Exchequer £233m and that the figure is "escalating sharply." Some of the land acquisition and reclametion costs must also be included and so the overall bill is certainly higher — perhaps now approaching £400m.

Irrespective of the cost, has the policy succeeded?

firespective of the cost, has the policy succeeded?
This is equally difficult to evaluate but the Ridley decision would indicate that it has not. By December 1986, there were 2,802 establishments, according to official figures from the Department of the Environment, on the 23 zones in England, Wales and Scotland. Some of these were there on the days each individual zone was designated, but the big majority designated, but the big majority have come into existence since

have come into existence since 1981.

The big zones are Tyneside with 346 business concerns, Salford/Trafford (272), the Isle of Dogs (270), Clydebank (250) and Swansea (200). Of the second tranche of zones, the largest is Milford Haven with 129, followed by Middlesborough with 102.

However, there is some avi-However, there is some evi-

dence that many of the businesses, perhaps even a major-

zone experiment, which must also be taken into account, as moch the creation of a supply
of modern premises, the
removal of much urban dereliction in most of the zones and a
general improvement in the
character of the environment. character of the environment.

One other plus point has been the high incidence of full-time employment. It has been estimated that 92 per cent of all those employed on the 23 British zones are in full-time employment. And jobs for men predominate, 70 per cent of the 63,300 workers are men.

Many commentators originally thought the zones would be swamped by service industries but two thirds of the workers are in manufacturing jobs.

It is clear that the 25 UK zones are not going to change the face of the economy. The experiment was worth under-taking, but Mr Ridley was prob-ably right to bring it to an end

Anthony Moreton

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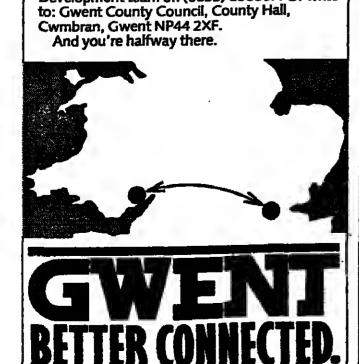
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REGIONAL DEVELOPMENT 3

Hazel Duffy spells out the main features of this month's changes in regional policy

Automatic development grants go

"Levels of spending

Meanwhile, the DTI's own

least, as RDG payments run-

honour this pledge.

will not be cut"

"YOU SHOULD be in no doubt "YOU SHOULD be in no doubt about our concern to encourage competitive companies in manufacturing and service industries thronghout Britain, and I atress, thronghout Britain. That is best achieved not by a sectoral approach to industry and not by automatic grants but by working with private enterprise in encouraging management to develop their skills".

Thus Lord Young, in a speech

toral approach to industry and not by automatic grants but by working with private enterprise in encouraging management to develop their skills.

Thus Lord Young, in a speech delivered in Manchester shortly after he launched the Department of Trade and Industry as the department for Enterprise, explained the reasons for the explained the reasons for the 15 per cent towards the costs of new emphasis in regional policy.

The main features of the new policy are:—

Companies in the assisted areas will not be able to apply for the virtually automatic for the virtually automatic segional development grant of etails will be made

regional development grant after March 31 1988. Hore details will be made after March 31 1988. available before the starting whereby companies have to administered by the DTI

In the thirds of the cost of consultancy services available to companies employing fewer than 500 people will be met by the DTI. Services will be available covering design, marketing, quality management, manufacturing systems, and from April, business planning, and financial and information systems.

If the assisted areas map, covering development and intermediate areas, will be unchanged for the lifetime of this Parlia-

☐ The new grants, and help towards the costs of consultancy services, will also be available in the Urban Promarketing effort through the beefing up of regional offices and the addition of satellite gramme areas. (In other parts of the country, the Government will meet one half of the cost). offices will be spread around the whole country. The Government's objective for the regions is unchanged from the December 1983 state-ment, namely "to encourage the development of indigenous potential within the assisted Lord Young, Trade and lodus-try Secretary, emphasised that the level of apending in the regions will not be cut. The pro-

areas with the long-term objective of self-generating growth in these areas."

The January White Paper, however, says that the Govern-ment believes this objective will be achieved more effectively by ensuring that the main aims of its enterprise policies "are properly reflected in the

egions". The new thrust of regional

regional offices and in Scotland and Wales by the Scottish and Welsh offices.

Difference available to companies employing fewer than 500 people will be met by the DTI. Services will be available covering design, marketing, quality management, manufacturing systems, and from April, business planning, and financial and information systems.

Difference policy, therefore, is to encourage the expansion of small and medium-sized companies, while means to maintaining the means to attract larger-scale investment. It is important to realise, however, that the preferential treatment in the regions as far as the consultancy services are concerned is emall – two-thirds of the costs against 50 per cent elsewhere. The only new regional grants are aimed at very small companies.

The new policy reflects the RDG was going mostly to companies which would have made attract larger-scale investment. It is important to realise, however, that the preferential treatment in the regions as far as the consultancy services are concerned is emall – two-thirds of the costs against 50 per cent elsewhere. The only new regional grants are aimed at very small companies.

The new policy reflects the RDG was going mostly to companies which would have made attract larger-scale investment. It is important to realise, however, that the preferential treatment in the regions as far as the consultancy services are concerned is emall – two-thirds in the investment. It is important to realise, however, that the preferential treatment in the regions as far as at it is opposition from business organisations, perhaps confirming the expansion of small and medium-sized companies, while RDG was going mostly to companies which would have made at the investment. It is important to realise, however, that the preferential treatment. It is important to realise, however, that the preferential treatment. It is important to realise, however, that the preferential treatment in the regions as far as at it is important to realise, however, that the preferential treatmen

The retention of RSA demonstrates that the Government has no intention of going back on its policy of encouraging inward investment, despite rumblings from sections of British industry.

Grants are very necessary, as a initial have to foreign invest.

an initial lure to foreign invest-ment and to secure expansion. Nissan, for instance, is to receive another £25m in Government aid for the expansion of its plant in Sunderland, after getting substantial help to set up in the development area in the first place. The new grant will go towards the facilities to produce the second Nissan car from the plant, and provide an extra 1400 jobs.

regions will not be cut. The provision for the next financial year is \$279m in regional development grants and \$266m for regional selective assistance. (The provision for English regions in this total is \$156m RDG, \$160m RSA).

In the longer term, spending on RSA will have to double at least a RDG. extra 1400 jobs.
But foreign investment is welcomed not only to provide jobs.
Japanese investment, in particular, is seen as having been beneficial to British industry, providing an example of good working practices, and stimulating improvements in the quality of British made components. down over the next two to three years -If Lord Young is to

piace in the European Comminity and a tariff free home mar-ket of 350m people. There is intense competition in the EC regions to secure such invest-ment, and there is no doubt that – other factors considered — grants play a significant role.

Investment by US companies is similarly grant-sensitive.

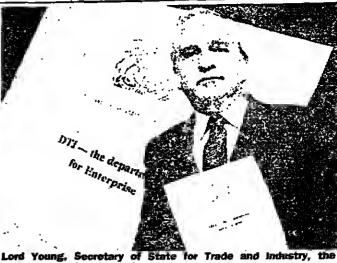
Selective assistance is also

attractive to British companies. This route has tended to be used by larger companies which can present their projects in a way that secures public funds. Most applications still come from manufacturers, although the scheme is open to services. Many companies are turning towards specialist consultants

to present their cases.
At the other end of the scale, the new grants are intended to foster growth of small companies. They could be particularly helpful in the inner cities.

But it will only be in the lon-ger term that it will be possible to judge whether the new direction in Government policy has been a auccess. And it is worth noting the warnings expressed by some Labour MPs, and an unlikely trio of former Tory ministers - Mr Leon Brittan, Mr Norman Tebbit and Mr Michael Heseltine - to the effect that the new policy will leave the regions unduly exposed.

Hazel Duffy



regions must develop their own indigenous potential. Government regional assistance to industry in GB 1.

1981/2 Source: Regional trends 1. Figures include expenditure on regional development grants, selective financial assistance, expenditure by the English Industrial Estates Corp. Scottish & Welsh Development Agencies 2.For 1981/2 figs.include expenditure on regional development grants & selective financial assistance only

Planning policy

The stick and the carrot

FOR THE planners, the idea of "

FOR THE planners, the idea of even economic development through the country has been like looking for the end of the relatively free and easy planning regime of the London planning regime of the relatively free and easy planning regime of the Iondon planning regime of the relatively free and easy planning regime of the Iondon planning regime of the relatively free and easy planning regime of the Iondon planning regime of the relatively free and easy planning regime of the Iondon pl

War II and into the 1970s, this separate permission. was the New Towns, Today it is the Urban Development Corpo authorities in older urban areas

the Urban Development Corporation and its spin-offs.

There is then a continuity of concern to match the longevity of the problem. And the problem of two generations ago is broadly the same as now broad areas, especially the North, Wales and Scotland, have lagged behind most of the South East in economic growth.

Present planning policy is

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The second secon

Policy from the centre is not always accepted at the periphery

that makes it a basic point of planning policy that consents for development should be given unless there is a very good reason why they should not be. There is, in the planning

not be. There is, in the planning jargon, a presumption in favour of development.

Now this enunciation of policy from the centre is not always accepted at the periphery - local authorities of either main political persuasion have their own ideas of what constitutions.

acted in some areas to remove ment has also been considering planning supervision from the the designation of rural conser-local authority. This is where vation areas.

By giving an urban develop-ment corporation not only plan-ning powers but a budget to acquire land and provide infrastructure on it, the idea is to create a focal point of development. The only corporation which has yet produced results on the scale that the Government is seeking is London Dock-

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Paper in 1944. It might have been written yesterday.

The present Government has adopted at least one idea from the wartime years - the idea of an agency controlling a parcel of land and promoting development within it. After World authority would not require a support of the local authority to give advance planning permission for specific types of development. Compatine with schemes which fit into the category of development within it. After World authority would not require a support of the local authority to give advance planning zones allow use local authority to give advance planning zones allow use local authority to give advance planning zones allow use local authority to give advance planning permission for specific types of development. Compatine with schemes which fit an agency controlling a parcel land authority to give advance planning permission for specific types of development. Compatine with schemes which fit an agency controlling a parcel land authority to give advance planning permission for specific types of development. Compatine with schemes which fit an agency controlling a parcel land authority to give advance planning permission for specific types of development. Compatine with schemes which fit and all the proposition of the local authority to give advance planning permission for specific types of development. Compatine with schemes which fit and specific types of development with schemes which fit and specific types of development.

South East in economic growth,
Present planning policy is addressing this in two distinct ways. One is directed at encouraging development. The other at fending it off.

Ing the communication planning in the measure was introduced, it suggested that "reducing planning controls will not enough of an incentive to attract developers or investors in the absence of any financial

Both of these sets of mea-sures have been directed at urban areas. Last year though the Government, sought to address the problem of the rural economy. Conscious that, the days had passed when The first has as its starting everything a farmer produced could be sold, it started from the notion that only the most that makes it is had a starting formular than the notion that only the most productive farming land attachments. matically had to be reserved for

> Fears expressed by environmental groups of a countryside cloaked in concrete led to the

their own ideas of what consti-tutes suitable development for development in certain areas. A their own areas. Where local anthority cooperation is neces-sary it is not always forthcom-their own areas. Where local anthority cooperation is neces-sary it is not always forthcom-the inviolability of national ing.
On top of this general policy parks and areas of outstanding therefore the Government has acted in some areas to remove ment has also been considering

local authority. This is where the urban development corporations come in - first in London Docklands and Merseyside, more recently in the Black Country at Birmingham, Trafford Park in Manchester, Tesside, Tyne and Wear and Cardiff.

Last December, the Government's thinking is Last December, the Government's thinking is that if there is a severe planning constraint in the South East, then development might be induced to go elsewhere.

It is difficult to say whether this approach is working. While there is growing evidence that the economy outside the South

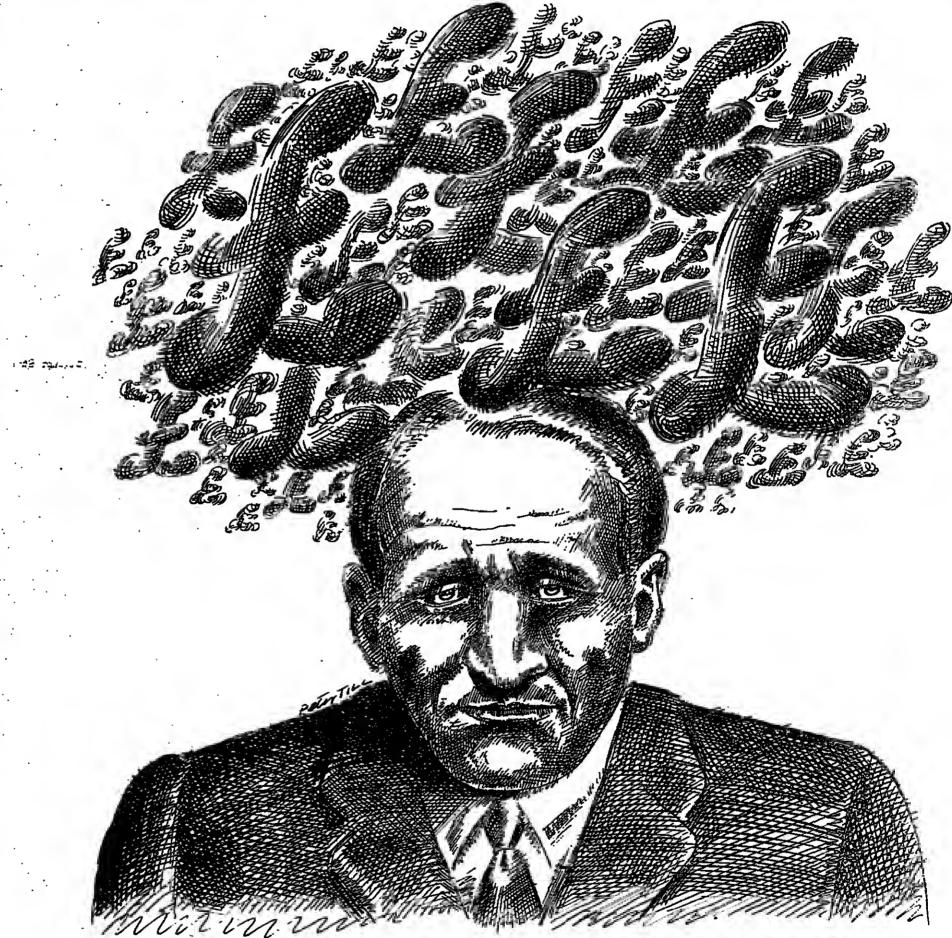
It is difficult to say whether this approach is working. While there is growing evidence that the economy outside the South East has been growing, It is uncertain whether this has come about because of the general process of recovery or because the planning proce-dures make it easier to expand outside the London area. It is noticeable from Jones Lang Wootton surveys of office relo-cation that when companies move out of central London they do not actually move very

In terms of property develop-ment, it is possible to argue that where there has been activity in, say the North East and the North West, this has been led by indigenous companies in response to indige

Private sector planning spe-cialists have noted a much more relaxed attitude towards the relaxed attitude towards the granting of development consents in the Midlands and North, generally speaking, than in the South East. But so far there is not much evidence of a marked ahift in property investment funding out of the South East.

South East.

This brings the story full circle. It suggests that the present Government is finding, just as its predecessors found, that the planning regime cannot of itself induce more even national economic development. Companies still like to go where they think there market is.



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BRAVE NEW

NORTHERN ENGLAND

An array of helpers

REGIONAL DEVELOPMENT is synooymous with changing the industrial structure in the North, for many of the economic problems are structural in nature. However, nowhere is the wide array of help for industrial development more

Connising.

Officially, the North Is divided into three regions - the North-West, Yorkshire and Humberside, and the "etandard" North, comprising the North-East and Cumbria. The three regional headquarters for Government help are Manchester, Leeds, and Newcastle upon Type respectively. Tyne respectively.

There is some ambigulty about this, for Cumbria gets its Government support from Manchester but is classed in the Newcastle-administered region of the standard North for statistical purposes

These administrative boundaries fit the terrain and with natural geographical features such as the Pennines, but other divisions are less convenient. For example, the two areas with the broadest economic bases - Greater Manchester and West Yorkshire and their hin-terlands - are showing the fast-

Those with the narrowest bases — Merseyside, the North-East, Humberside and South Yorkshire - have the highest unemployment rates, the biggest structural problems and the greatest need for help with development. The eco-nomic divide is between the increasingly prosperous M62 belt between Manchester and Leeds and the areas peripheral to it and beyood.

The way these problem areas are scattered around the North has helped ensure a fragmented approach, with similar bodies working independently on subregional or local initiatives. This can mean internal competition within the three administrative regions.

Where each region is united, however, is over inward invest-

pete against each other. The array of bodies contributing to regional development can services, from money to propbe best explained by grouping erty.

small subscriptuons and lists hundreds of corporate supporters. The YHDA has much more substantial funds from many fewer larger companies or industrial giants.

ENTERPRISE BOARDS, etc Most of these were spawned by the now-abolished metropolitan county councils, which saw eco-nomic development as a key activity. Contrary to what some members of the Government would have people believe, local Conservatives were just as active in supporting such bod-ies as Labour, and still are.

Where the county councils have gone, their offspring have managed to survive and develop. Yorkahire Enterprise is the leading example, having evolved out of the old West Yorkshire Enterprise Board. Its venture capital role now extends all over Yorkshire and Humberside and it has linked with local authorities to set up special funds, as well es with private sector investment bank-

Greater Manchester Economic Development Corporation survived rigorous exami-nation by the ten district councils in the conurbation, all of which eventually decided to keep it going. It offers a wide

ers, such as York Trust.

similar ones together and comparing what they do:

INWARD INVESTMENT
Inward acts for the Set on its feet but which is now trying to make up for lost time. Humberside Development Association is its trans-Pennice competitor, while the Northern Development Company acts for the North. Cumbria is in Inward but the NDC wants it for itself, even though the set of the North and the NDC wants it for itself, even though the set of the North and the NDC wants it for itself, even though the North No

bria is in Inward but the NDC wants it for itself, even though most Cumbria industry does not want to change.

All bodies have support from most of the county councils or metropolitian boroughs in their areas. Cumbrin is happy to be promoted by both Inward and the NDC, provided that it only has to pay dues to Inward.

Support also comes from the private sector and bodies such as chambers of commerce and indusry, the CBI, and trades unioos. The NDC works on small subscriptuons and lists equity or loans. The profits are ploughed back to pay for more

> Durkem Development Company was set up by Durham County Council recently with Sir Ron Dearing as chairman to give its economic development strategy an arm that could trade freely and offer more flexibility.

In addition to these bodies, there are various other initiatives backed by local authorities, such as the Burnley and Pendle Development Association, which aims to help the development of the North-east Lancashire. Local anthorites themselves are often important brokers or "enablers" in assemblers packages of help.

PRIVATE VENTURE CAPI-TAL Private sector venture capital funds are emerging in the North to help redress a national imbalance that results in most money – even that from northern-based pension funds – going into deals in London and the South-East. The Newcastle-based Northern Investors was an early one, and highly suc-cessful at picking winners.

Lazards' Development Capital Group is also active through a series of regionally-based unit trusts which invest partly in local unquoted compa-

scale equity support can be obtained from the North West Investment Fund in Chorley,

Lancs, which the Manchester-based March Investment Fund is working closely with British Gas superamustion money to back regional growth.
URBAN DEVELOPMENT
CORPORATIONS

These started in the north with the Merseyside Development Corporation in 1981 and three others have now been set up others have now been set up-in Trafford Park, Grester Man-chester, on Teesside and in Tyne and Wear. Each will have about £150m to spend over five or six years. Their main job is to clear and assemble land for development. development. They are their own planning anthorities, so that normal processes can be

The winding up of various new town development corporations in the north means, in effect, that resources are being switched to the new bodies. Other +mini-UDCs+ are Other planned for various inner cities in the north

or the north
OTHER SOURCES
British Nuclear Fuels is putting
£10m into the West Cumbria.
Initiative, which aims to
restructure the economy of
much of the sub-region so that
it will cope better when largescale construction work winds down at Sellafield in the 1990s.

Help is also available from BSC Industry and British Coal Enterprise in all steel and coal closure areas. Many of these are in the peripheral parts of the North as a whole – and responsible for much the economic structural problem. Anyone locating in the closure areas can be helped – not just redundant miners or steelwork-

also goes into Local Enterpris Agenciee, which spread quickly through the North-West in particular after the initial success of the pathfinding Com-munity of St Helens Trust. These have helped substantial restructuring of local economies igh assisting the creation any more small businesses.

lan Hamilton Fazey

ENGLISH MIDLANDS Life after death for WMEB

1880s as a Labour-Inspired local initiative to combat the ology might well have been in danger of looking out-moded in the third term of a Conserva-

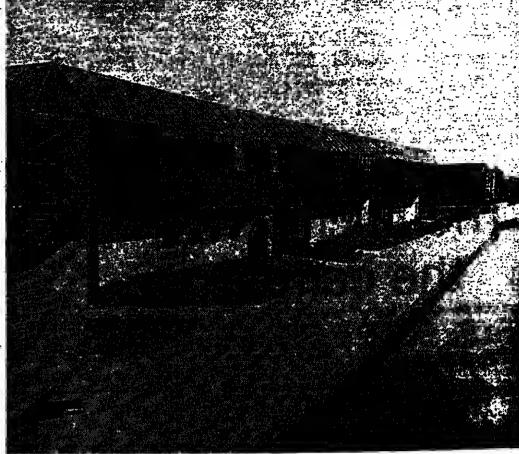
tive central government.
Worse, the very basis of its existence appeared to have been undermined when its founder and paymaster, the West Midlands County Council, was abolished — along with the Sam a year of grant aid it pro-

yded - in 1986.
Yet if the WMEB once looked close to membership of an endangered species, it is now in the land of the thoroughly living. The overnight loss of its main source of income two years ago has proved to be merely a hicup in its develop-ment rather than a death knell, and if political ideology anywhere still underlies the reas for its existence, it is too little running as a commercially-ori-

The aims of the WMEB have in fact changed little in its first six years. Founded on the belief that the strength of the West Midlands economy rested fun-damentally on its manufacturing base, and that financial institutions took too short-termist a view to meet the region's financing needs, it set out to provide long-term development capital for medium-sized busi-nesses operating in the tradi-tional industrial sectors of the West Midlands.

The board has always rigorously appraised by its investment staff. Particular attention is paid to the quality of the company's management. Even before WMEB lost its

county council grant, it had acted to widen its access to funds by setting up the West Midlands Regional Unit Trust, a fund worth around \$8.5m at the December 1987 year-end, which it manages jointly with Lazard Securities. The trust has been less than nimble on its feet, baving invested only \$800,000 in just three unquoted



The board has always companies since it was set up in eachewed a sentimentalist 1985, but the ultimate aim is to approach to investment policy. have 70 per cent of its funds it requires supplicants to provide a business plan which is lands companies and the balance, as now, in quoted West Midlands stocks.

This, however, is not the only source of funds remaining to the WMEB. Like other enterprise boards, it has considerably widened the scope of its activities in the wake of the county council's abolition. For example, it has largely inherited the WMCC's role as an economic planning agency for the region and now employs a team of eight economists offering a consultancy service to public and private sectors alike.

The board is also picking up consultancy work through four advisory organisations it inherited from the county council, specialising variously in tachnology transfer, training, co-operative finance, and clothing industry technology. And it has launched a series of venture continuity for small busicapital funds for small busi-nesses which it manages on

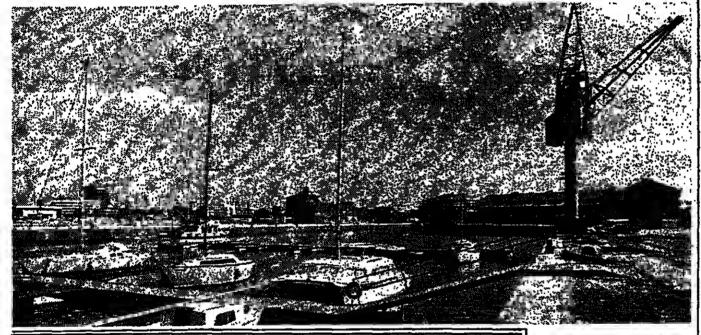
authorities In its mainstream work of funding the development of medium-sized business, the wMEB (with the WMEUT) has investments in 41, inquoted companies, mainly in the form of equity finance. The number of people employed in these

behalf of the region's local

companies is 3,161, and another 600 or more people work for companies in which the board has already realised its invest-

numerical terms, the effect of the board's activities on regional unemployment appear so far to have been limited. But combination of accelerating returns on its investment portfolio combined with the rising revenues from its fund manage will enable it to play an expanding role in the regional

Richard Tomkins



Regional reports proposed to be published in the first half of 1988 include:

Berkshire, 23 February Teeside, 24 February Cheshire, 26 February Hampshire, 15 March The Black Country, 28 March Newport, 28 March County Durham, 29 March Manchester, 20 April Northamptonshire, 26 April Hertfordshire, 29 April Swindon, 4 May Essex, 6 May Coventry, 11 May Cardiff, 1 June South East Kent, 3 June North-South Divide, 22 June Isle of Man, 27 June

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Quays, at the end of the Manchester ship canal, is turning the redundant inland port into a village of private housing, re facilities and a hotel.

DSOUTH WEST OF ENGLAND

Building up momentum

THE SIGH of relief that came links have been materially event of Devoo and Cornwall improved we have considerable ufacts

ont of Devoo and Cornwall after the amouncement by the government that the two counties were not to lose their assisted areas following the review of regional policy must have been hear in Londoo itself.

The two counties believe their designated areas have been instrumental in attracting linear instrumental in attracting linear investment and they would have suffered heavily had they been excluded.

"We have the only assisted areas in southern England," says Mr. John Rees- Evans, economic development officer for Cornwall. "This has enormous implications because when a company is considering a move, especially one in the south east of England, it almost automatically gets its attention drawn to us as a potential location.

"Now that our road and rail" links have been materially eventually create 250 jobs manimproved we have considerable advantages for anyone whose improved we have considerable advantages for anyone whose inscription instructions for its advantages for anyone whose improved we have considerable advantages for anyone whose instructions in the flow from its instruction in the support of both the past 18 months Company in the company's choice of site. In the past 18 months Company is considered by read to the past 250 post of both the past 18 months Company is proved to a site at the company choice the US. Mr Maurice Hardy, of Trad

"Companies coming from abroad alwaye look at these parts first," he says, "and if we had been removed it would in effect have endangered not only us but also all the peripheral parts of the country."

Whether the increased emphasis on selectivity will be of benefit to the countles remains to be seen. There are of benefit to the countles remains to be seen. There are fears that the government's philosophy on intervention is to concentrate heavily on the inner cities and urban partnerships. It is feared that the remote county areas could find themselves the poor relations of the economic family.

"There are still big problems here," Mr. Rees-Evans warms, "and we can only hope that selectivity will not mean any attempt at downgrading us."

Anthony Moreton

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THE SCOTTISH Development Agency has come to look increasingly like a miniature department for enterprise in the past few months. Not only is it to be the first point of contact in football for businesses seeking essets and on the seeking session under nesses seeking assistance under the Government's new regional aid policy, it also recently adopted a new strategy that puts the development of enterprise very near the top of its priorities.

The SDA was founded by the Labour government in 1976 because the decline of traditional industries over the past few decades had such a damaging effect on Scotland's urban areas, and such a demoralising influence on its entrepreneurs, that an exceptional body was

that an exceptional body was needed to regenerate the Scottish economy. The Conservative government still accepts that need, but takes credit for the way the agency became successful in the 1980s through involving the private sector.

Mr lain Robertson, who succeeded Dr George Mathewson as chief executive of the SDA last autumn, maked it clear that that this policy will continue. The agency, he says, is not changing, but is "developing the structure that George Mathewson began." In some cases this appears to mean implementing recommendations made by the 1986 review of the agency by the Treasury and the made by the 1935 review of the agency by the Treasury and the Scottish Office — a review which, though broadly favourable, was full of minor criti-

cisms.

The agency, Mr Robertson says, works through partnership with other bodies in Scotiand such as local authorities and companies. "Out of that you get the private sector bringing deals to you, as we are seen to be a commercial player in the market place, sharing both the risks and rewards," he says.

he points as an example to property, where the SDA plays a big part in both urban regeneration — notably in Glasgow and the Inverciyde area. "You have to spend public money to get things going, to break the blockages and give the private sector a leg-up. But as development begins to happen the priment begins to happen the pri-vate sector carries it on." The agency's role in Dundee is described in another article in

TIE NEW YORK

Taria Tomana

we make it happen. In the case of a bespoke factory needed by an inward investors, we may in Scotland of US and Japanese build it and arrange external high technology companies. financing for it, but then pass it This is the truit of Locate in



Last November Mr. Robertson
announced a new corporate
strategy for the SDA which
involved a reorganisation of its
structure aimed partly at "get
ting closer to the customer"—
an objective which Mr. Robert
son calls his passion—aim international market place."
"stimulating the development
of enterprise." The agency has
for the first time created a
retructure of multi-purpose companies where it believes it
regional offices in Scottish
towns, which will, incidentally,
be handy for administering the
Government's new regional aid total expenditure of about
policy.

[presented by the foreign companies) were, "admits Mr Robeertson. "Our businesses are not
they sometimes fail to realise
that they are competing in an
international market place."
The SDA's new strategy is
aimed at correcting that.

[1986/87] such investments
be handy for administering the
Covernment's new regional aid total expenditure of about
policy.

what he called the four—
"thrusts" or priorities of the agency's work. Apart from urban renewal, they are all simed at improving the quality of Scottish business, by:

| helping Scottish companies adopt new technology. adopt new technology.

I fostering Scottish enter-

prise by assisting business start-ups and expansion, and ompete in international mar-"This is our pro-active side,"

says Mr Robertson. We have indicated our priorities but it would be a disastrous thing if we told industry how to run itself."

this survey.

"Or take factory building" cy's role in belping Scottish (which continues to be a major part of the SDA's operations).

"The agency doesn't have to put up the building itself - but we make it bappen. In the case of a bespoke factory needed by ented by the growing presence in Scotland of US and Japanese

WALES

New roles for old valleys

WALES HAS received an enormous boost from the Government's change of direction on regional policy. Although not everyone has welcomed the increased emphasis on selectivity, the amount of money that will go towards regional development grants over the last two years of their lifs will rise considerably and, in particular, the "I think we had expected the spin-off to be rapid and quick,"+ says Mr Robertson, who used to direct Locate in Scotland. "It took me some time to understand that it takes time years of their lifs will rise considerably and, in particular, the Welsh Development Agency has been given major increased funding.

for these companies to become

integrated, work up their facto-ries and get used to local sup-pliers."

The agency is stepping up a programme that has been running for about three years to put Scottish companies in touch with Japanese electronics com-

total expenditure of about £140m - what some critics

believe is a fairly modest pro-portion. "Many deals come to us. As often as not we try not to put our own money up," Mr Robertson declares. As private

sector venture capital organisa-tions confirm, there is no short-

age of venture capital finance in Scotland, and the SDA lends

at commercial rates.

Where it may differ from other lenders, Mr Robertson believes, is that it may take a

longer term view of a project, and it can pick individual sec-tors which it believes are

important for Scotland. "Invest-

ment is a very essential tool."

he says. The agency, he says, takes stakes when it believes

that its own participation is crucial to a project going ahead, or when the taking of even a token stake by the SDA will be seen by other investors "as giv-

haps improving its viability.

nnoing.
The Government's contribution to the agency's budget is to rise by S7 per cent in the com-ing financial year and with the extra income that the WIA is

in new money next year.

Wales has done particularly
well in relation to both Scotland

well in relation to both Scotland and England. The Scotlish Development Agency's budget has gone up by just over 3 per cent and, although there is no agency in England, it is thought that the amount of finance available for the country will be levely unchanged.

time," he said.

One of these is an expansion

of the urban renewal team of the urban renewal team tal to starter projects in high within the agency. In the next month, Mr Peter Walker, the welsh Secretary of State, who can take the credit for winning such an important share of regional aid for Wales, will announce an important initiative for the industrial valleys of south Wales.

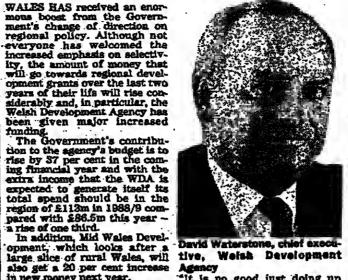
These parts, once hastions of the industrial valleys of south Wales.

The Treasury is noder to starter projects in high technology great regular thought which is something of a minefeld which must be approached with great caution.

Seed-corn companies, particularly in high technology, are highly volatile; their life expectancy is low. Winners produce great results but many are losgest.

ately seeking a new raison d'etre, have been described as being Wales's inner city prob-lem. The WDA intends to take a full part in the projects associ-ated with the valleys initiative. Its urban renewal unit is, however, working on projects over a much wider area than merely the valleys. It is involved in Llansli, Barry, Newport and Deesside in north Wales and will probably be tackling the seaport of Holyhead, Anglesey.
The extra resources being put

ing a project some kind of offi-cial imprimatur" and thus perinto the urban unit will partly go towards a new top post. An executive director is to be appointed and the work of the unit given an added impetus. James Buxton Scottish Correspondent



"It is no good just doing up houses in an area," Mr Water-stone says, "unless you get peo-ple to live in them. So it makes sense to repackage the urban programme in order to pay attention to the lives of the people. That means where they work and how they spend their leisure time."

available for the country will be largely unchanged.

Mr David Waterstone, the MDA's chief executive, admits to being "more than delighted" at the boost in the agency's vitally-important work of derelict land renewal and have direct links into the agency's financial activities. Mr bring forward a number of waterstone places great attendamentary programmes that we have been working on for some time," he said.

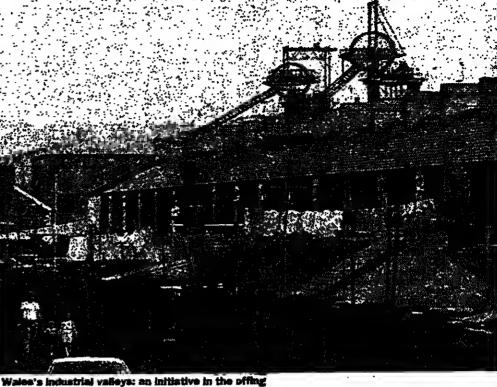
One of these is an expansion

possible to extend venture capi-tal to starter projects in high

These parts, once bastions of ers. The Treasury is under-coal and steel, but now desper- standably not auxious to overers. The Treasury is underexpose public funds to concerns that might have a short lifespan. Nevertheless, the agency is working on ways in which it might act as a catalyst. The important thing about

the new money being made available is that it will enable the agency to deepen the work it already undertakes with the private sector. "We are invest-ing in some 200 or so companies a year," Mr Waterstone says. "This involves an ontlay of between 59m and \$10m."
The Weish Venture Capital

Fund has been so successful that we are hoping to establish The fund was set up some



four years ago with £5.6m capi-tal put np by pension funds and others in Wales and has now been exhausted. By the end of market terms, since it allows been exhausted. By the end of Pebruary, Mr Waterstone hopes to be able to unveil another fund of around the same

fond of around the same amount. Many of the backers of the existing fund are expected to come into the new one.

"There should be some new-comers as well because they have seen how successful the original one is. But a lot of the old team will be joining the new one."

More emphasis will also now be placed on the agency's fac-tory building programme. The amount of unlet space is now

the agency too little flexibility.

The low figure does, however, ehow how much the agency's past factory building programmes have acted as an

inducement to incoming invest-

ment and to indigenous con-

Increasingly, though, the agency will be building bespoke

technology concerns in particu-lar have specific needs and it is these that the agency wants to cater for.
There is still, Mr Waterstone

argues, a "desperate need" to build more factories in Wales. "The important thing about the Government's increased backing is that it puts us in a much better position to meet the needs of both industrialists and cerns to expand. At present, it better position to meet the is virtually impossible to get a needs of both industrialists and factory from the WDA, and the agency would like to have more available as a carrot to offer businessmen looking to move to itself."

Anthony Moreton Welsh correspondent



A Sectoral approach A GROWTH in business confidence throughout Northern into the province. Since its industry at all stage inception in 1982, the Board has been reflected in 1982, the Board has been reflected in 1982, the

dence throughout Northern Ireland has been reflected recently in significant jobs boosts for some of the prov-ince's areas of highest unem-

ployment.
Last month Tyrone Crystal at
Dungannon and Norbrook Laboratories at Newry announced
they were doubling their workforces and creating 344 new
jobs in investment programmes
worth £14.5m.
Disclosure of their expansion

Disclosure of their expansion plans came just weeks after Desmond & Sons, one of Northern Ireland's biggest clothing manufacturers, revealed they were taking on 150 workers in Londonderry as part of a four year £13m investment plan.

A feature of all three expansions has been the key support role played by the Industrial Development Board, the Province's main economic development agency.

ment agency.

Based in Belfast, the IDB reaches out worldwide in its efforts to strengthen Northern Ireland's industrial base and

Last year the board promoted 4,187 new jobs and attracted

stiract new investments from

promoted around 20,000 new jobs and more than 50,000 have been renewed and maintained.

This year the board set itself, a target of 5,000 new jobs at a-time when it is midway through one of the most comprehensive reviews of manufacturing industry ever undertaken in Northern Ireland.

The concept of 'sectoral' development in which the major sectors of industry are major sectors of industry are assessed to ensure companies are maximising their potential has become the lynchpin of the board's work. Ten studies have already been completed and afurther it will be concluded by the end of this year.
Mr John McAllister, chief

executive of the IDB is con-vinced the strategy will have a major impact on future eco-nomic growth. The studies are nomic growth. The studies are based on the principle that you cannot promote or support something unless you know everything about it, he says. The Board, which has around 450 client companies with an employment base of around 70,000, has ensured full consul-

toral development programme.

Mr McAllister said: When we first started off we were deter-mined that it would not be perceived as the IDB sitting in judgment on industry. In moving forward, we made it clear it was a joint exercise

and I believe, in general terms, it has resulted in enhanced relationships."

The sectoral initiative has gone hand in hand with the internal reorganisation of the board's structure along similar

The home industry group, which concentrates on internal investment, now has four business development divisions, comprising textiles and clothing, electronics and engineering, general manufacturing and services, and the food division. Under the umbrells of the home industry group are the marketing support, rescue and corporate appraisal divisions.

The other arm of the board, the inward investment group, is organised into four divisions incorporating international investment, oversess promo-tion, promotion personnel and

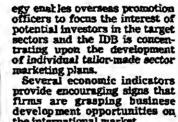




coordination and property services and administration. Each business development division is headed by an executive director who controls a team of client executives responsible for specific compa-nies within the various sectors of industry.

Last year the expansion of

overeseas companies already operating in the province pro-vided \$237m of total invest-ment and 2,855 of jobs pro-



Several economic indicators provide encouraging signs that firms are grasping business development opportunities on the international market.

Once individual investment

ected to corporate sporaisal the IDB provides enpport through a package of selective financial assistance including capital grants, employment grants, rent grants and recearch and development

Last year almost £109m was allocated representing 35 per-cent of total investment. In recent years the downward trend in selective financial assistance as a percentage of overall investment is indicative of a tendency among firms to rely less on public funding.

Mr McAllister said: " confidence in the business community in Northern Ireland is now as high as it has been for some years. The relationship between companies and the IDB is as posi tive as it has ever been. Given these factors, I believe we have a real chance to keep our per-formance moving upwards."

Our Belfast Correspondent



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A growing east-west divide

DEVELOPMENT PRIORITIES for London in the 1990s have been placed on the public agenda with a widespread consultation exercise launched this month and aimed at the city's

Reversing decline in the capital's inner city areas, guiding investment to places of greatest need - including parts of East London not covered by the Lon-don Docklands Development Corporation – protecting tradi-tional High Streets from the effects of out-of-town shopping ceotres, supporting the West End's role as an international centre and Improving transport provision are among the subjects under consideration.

The exercise has been launched by the London Planning Advisory Committee, a statutory body representing all 32 Londoo boroughs and the City Corporation set up to take on some of the planning functions of the defunct Greater London Council.

Since the abolition of the GLC the Government has assumed overall responsibility for set-ting London's broad planning and development guidelines, and the advisory committee is preparing a report which will advise Ministers on how policy

ahould be developed.

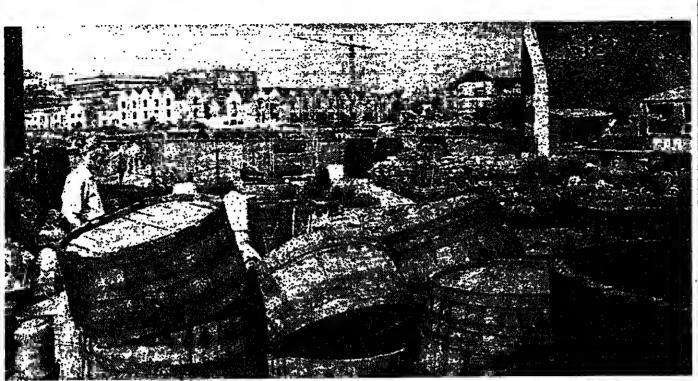
The consultation process will be based on an initial document setting out choices and problems facing the capital which bas been prepared by the committee's staff and planning officers from the London boroughs over the past nine months.

This has been sent to MPs. community organisations, chambers of commerce and other interested groups and will be launched at a public conference next month.

ence next month.

On the capital's economy, the report suggests that high levels of unemployment, which have seriously affected half the London boroughs, are likely to persist in spite of the recent economic upturn. "The overall unemployment rate is 10-11 percent of the economically active propolation but there are many population but there are many parts of Inner London where it is over 20 per cent."

London began losing mannfacturing jobs well before the post-1979 recession, and this sector is now a relatively small proportion of the capital's overall economy. The report suggests that sustained economic growth in the future will depend heavily on financial, professional and business services, the public sector and



Changing face of London's docklands: the view across Hermitage Basin, Wapping docks, from the local garden centre

The impact of unemployment and new business development has not affected London evenly, and the report refers to "strong and growing differences" in the social characteristics of East

"Residents of inner and East London are far more likely to be unskilled or semi-skilled and working in declining economic activities than the residents of outer and West London. The far more likely to work in higher non-manual jobs in the growing office sectors than the residents of East London."

Given an average annual national growth rate of 1.8 per cent between 1985 and 2001, says the report, jobs in London could increase by 14,000 a year, But this growth would not be achieved without substantial and continuing growth in the financial, business and public service sectors. And it would not be achieved if the relative economic strength of London

declined There will, says the report, be major contrasts within this pre-dicted overall growth. "The stantial structural change in different parts of East London

and stability or even significant ground and taxi availability; growth in West London." There was potential for substantial growth in part-time jobs for women - this type of employ-ment could increase by 600,000 by the end of the century - but it would be accompanied by a reduction of 250,000 in the number of full-time jobs undertaken by men.

The result of these change predicts the report, is that, by 2001, balf the paid work in London is likely to be done by women. "Only 5-10 per cent of jobs would be in manufacturing and only 2 per cent in small manufacturing firms which have been the focus of much public support during the last 10 years." Small businesses in the service sector would be more significant.

Although tourism is identlfied as one of the capital's potential growth areas - the London Tourist Board forecasts annual growth in this market of up to 4 per cent - the report lems that have to be tackled. In addition to a possible shortage of beds, they include:-□ the traffic and environmental effects of new hotel schemes;

O overcrowding on the Under-

side the area.

ing problems; reduced mobility for tourists, residents and workers and the

increased visitor demands on

some sites. The report is an important reminder that regional development issues in London go well beyond the redevelopment of the docklands area, sysn though this is by far the biggest

project in the capital. Since the London Docklands
Development Corporation was
established in the early 1980s it
has been responsible for a
breathtaking physical transformation of the old dock areas, producing wide-ranging indus-trial developments and attract-ing up-markst private homeowners to some of London's most deprived areas. Most of this transformation has been financed by private capital attracted to the area by the

development corporation.

But the corporation's critics argue that the dockdands boroughs and the people living in them have not been the winners in all this activity. Unemploy-ment remains high, with many of the new jobs in docklands going to people who live out-

The Association of London Authorities, which represents the Labour-controlled London boroughs, claimed recently that for every 100 jobs lost in Lon-don between 1981 and 1986 the LDDC had created only three, and says there has been a major overall net loss of jobs even when new ones are taken into

But development in docklands is continuing and is about to move into 2 huge new phase with the support of one of the Labour councils most affected by the changes. Although Labour local authorities bave been unenthusiastic about the non-elected LDDC taking over development responsibilities within their boundaries, the borough of Newham has decided that rather than fight it over a \$750m redevelopment of the old Royal Docks it will give its support in return for a \$100m package of economic and social improvements for the borough. The development corporation will also try to ensure that 25 per cent of the new jobs created go to local

Alan Pike

OCASE STUDY: HUMBERSIDE Positive trends

Humber, looked comfortable enough for the first few years. Theo three uncontrollable forces started to crush its econ-

omy.

First affected was fishing in less than five years Hull and Grimsby lost 97 per cent of their distant water fleet as catch quotas and exclusion zones stopped them working. The net loss was about 20,000

obs. Then steel closures hit Scunthen steel closures hit Scunthorpe, where 20,000 were employed and there was little else. One of the two steelworks closed as the industry slimmed down to a capital intensive, competitive shape. This meant shedding about 12,500 John. Almost overnight premulation. Almost overnight, unemployment went from 5 to 25 per

unemployed, a massive burden for a county with 850,000 peo-ple, of whom about 300,000 comprised the working popula-tion. Its response was to set up an Industrial Development Unit under Mr John Siddall.

Its systematic approach, cou-pled with general upturn and help from Government grants and bodies such as BSC Industry, seems to be paying off: after years of struggle there was net gain of 9,000 jobs last year as 12,000 new ones amply offset 3,000 more job losses. The year before, the net gain had been only 3,000 and before that much less, if gains there were at all.

The unemployment total is now about 48,000 and the monthly total of new johs is between 700 and 800. However, the present true rate of gain is not easy to work out because many recent job losses in the food processing industry have involved part-time women workers. Since they cannot register as claimants, they do not show up in the pnemployment figures.

Nevertheless, Humberside has been able to take advantage of any positive trends there are because its economic development unit had them well researched for targetted mar-keting to likely inward inves-tors or local developers.

Mid Wales

HUMBERSIDE, CREATED in The sort of trends it has iden-1974 from the West Riding of old Yorkshire and the parts of Lincolnshire that bordered the Humber's position facing Northern Europe. Seminars in Europe have pressed the point – and Humberside's position at the apex of a triangle based on London and Amsterdam.

Better roads into Grimsby and Immingham have comple-mented the M62 link to Hull itself – and the Humber bridge has ensured that they form a local network, despite tolls rising to £1.70 each way. Hull now has 30m people in Britain within the distance that an HGV can cover in half a day's distance "Treffic in the river is driving. "Traffic in the river is

"It's wealth creation that is important"

These problems were then compounded by recession, with more than 10,000 jobs lost in general engineering the first few years after 1979.

The overall result was 62,000 steadily. Many of the businesses involved are small, but the strategies of the country with 1870 and 1870 are small, but the strategies in the strategies in the strategies in the strategies. the potential is great, with a typical business's growth going from two to ten employees in

the same period.

Immingham meanwhile is the flagship success of Associated British Ports, which also runs Grimsby, Goole and – now back into profit – Hull itself.

Immingham services South Humbersids's large concentration of chemical and petrochemical industry. Here, investment is massive, with various major players such as Total, Petro-fina, Norsk Hydro and Conoco regularly spending up to £100m a year each, but the resulting employment prospects are limited because of the capital intensive nature of the indus-

However, Mr Siddall says that all this industry has to be serviced and that is what the effort has gone into promoting. He says: "It's wealth creation that is important. There is lots of sub-contract work for local businesses and all this improves spending power in the

food and food processing is another area of growth, ever, unemployment is still in although there is a "two steps the 15-16 per cent range, forward, one step back" despite investment levels and dynamic here as many food economic growth, so there is processing companies install still some way to go. plant to replace women's work on tasks like breadcrumbing fish fingers.

The fact that S5 per cent of the county is made up of some of the most productive arable farming land in the UK makes some of Humberside Birds Eye Country" when it comes to peas for the country's freezers.
These, along with cereals and oil seed, provide farmers with a good living, but does not do much for the jobless figure, since agriculture accounts for only 2 per cent of employment.

However, the enin-off large

since agriculture only 2 per cent of employment. However, the epin-off into food processing does bring work and economic scrivity. Along with Reading University. Grimsby College of Technology is an unsurpassed centre of excellence in food processing technology. That in itself helps encourage the food industry to grow locally, along with supporting services like warehousing, refrigeration and refrigeration engineering.

tion engineering. Humberside has also used Humberside has also used regional development grants, two enterprise zones and other incentives very effectively to start wiping out the Scunthorpe unemployment blackspot. Devailt Plastics of West Germany is the latest recruit folmany is the latest recruit, fol-lowing hard on Chizen Watch of Japan, which is to make computer printers there for sale in the UK and Europe. Unigate also decided to locate

its new chicken farming and processing in Scunthorpe.
Three-quarters of inward investment has gone into Scunthorpe in the last three years," Mr Siddail says. There is understandable local worry about the loss of automatic regional development grants, which will are thought likely to damage competitivity against the Netherlands and Belgium, both of which have daily sea links to Hull.

Investment is neverthless hage and growing. Excluding the Slbn on offshore industries where British Gas is the leader with its Easington termi-nal - this totalled £800m last year, compared with £500m in 1986. Current prospects suggest a continuing upward trend.

What this amounts to is a substantial restructuring of the regional economy, with sensible management of what positive market forces there are to try and accelerate growth. How-

len Hamilton Fazoy

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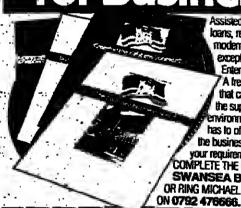


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High tech Clwyd climbs out of the trough

CLWYD IS nothing if not resilient. Eight years ago, battered by the ending of steel-making at Shotton and textile production just up the road, this part of north east Wales made a major bid to attract the Nissancar works that eventually went

Third time lucky, though. Plans have now been put forward by the construction group, Tarmac, for a massive regional shopping and leisure centre on the site that will include a marins, water park and heritage centre as well as a business park, all costing up to £200m. It has been estimated that when completed, the Shotton development will provide jobs for up to 3,500 people.

This is far ary from the end of the 1970s when north east Wales was at the eye of the

of the 1970s when north east Wales was at the eye of the recession. The closure of steel-making cost 8,000 jobs directly and countless others indirectly. Courtanids' decision to pull out of textiles at Flint and Greenfield added about 5,000 more. In 1979 the county lost 8,500 jobs and a further 8,000 the next year. Nor was this the end: 4,000 went in 1981 and at

Ayr, and companies like Dunlop and Pirestone pulled out or cut back savagely. To lose at least 22,500 jobs in four years could have been a terminal haemor-

of optimism pervades the place," says the man from the economic development unit. "We have brought new compa-

Prominent among the new-comers have been the Japanese. The latest, Tsuda Plastics, a producer of injected mouldings for the electronics industry, for the electronics industry, should be up and running later this year. Tauda will join Brother, Sharp and Hoya Lens which have now all settled in Wales has made a special attempt — successfully, as it turns out — to woo the Japanese but it has also managed to bring in others, too. Continental Can of the US is in Clwyd, not far from the Finnish concern, Shotton Paper, which has been so pleased with its presence that, after just a couple of species which has some 4,000 people at its Broughton nite, and British Steel still employs years, it bas embarked on n major expansion. They have joined overseas-owned companies Kelloggs, Kimberly Clark, Tetra Pak and Lego.

Not thet the economy is based entirely, or even largely, and the later that the seconomy is based entirely, or even largely.

based entirely, or even largely, Most important from the on foreign companies; the lar- growth of the economy though

component suppliers is begin-ning to emerge. When steel-making collapsed the suppliers were almost as hard-hit as the corporation Itself. Now, a different set of suppliers is emerg-ing, many of them associated with the high technology companies that are a strong fe

In particular, several Japa-

attracted by the companies already there. It is no secret that Jepanese concerns in that Jepanese concerns in Britain are still concerned about the quality of the goods produced by their British suppliers and are keen to see more of their compatriots set up in the UK. Clwyd has been talking to a number of these and has high hopes that some will arrive before long.

arrive before long.
Attracting overseas investment is a highly competitive business, though, and the county's chances have not been helped, according to Mr Mervyn
Phillips, Clwyd County Council
chief executive, by the changes
in regional policy.

"The abolition of regional
development grants removes
the clear advantage the devel-

development grants removes the clear advantage the devel-opment areas offered to invest-ing companies," he says. "I am particularly concerned that we will lose the assured edge as n result of the changes and that we will be disadvantaged com-

The emphasis on small and medium companies is to be welcomed because of the role which these have played in regenerating our economy. But Clwyd is still in the position where it needs to attract major job creeting investments to

With unemployment in the

county at 13.8 per cent the position of the jobless remains a black spot. The figure is well above the national average and particularly severe among men, where it is 16.1 per cent. The areas around Conwy and Column Her cent the creat and on wyn Bay on the coast and on Deesside remain bad and Shot ton still has half the area's job-

Tarmac development will be a universal panacea. Mr Ketth Raffan, a local MP, has voiced concerns that are also held in Cardiff that the construction of what is, in effect, a massive out-of-town shopping centre will undermine Mold, Holywell and Flint and have deleterious effects on a number of other centres up to 30 miles away. He feels, too, that the number of jobs likely to be creeted is

vastly over-optimistic. Despite these reservetions, north east Wales is undoobtedly climbing out of the trough into which it fell in 1979. The pervading optimism is justified as private capital becomes increasingly attracted by an area that might not yet compete with Crawley (whose virtually nil onemployment is a landmark in the UK) but which is at least on the way to become least on the way to becomin one of Britain's strongly-grow

> **Anthony Moreton** Welsh Corresponden

DCASE STUDY: DUNDEE

Discovery and Ford add to confidence

A disused jute mill, Dundee

Britain of how a city can improve its morale, its fabric and its prospects through investment and teamwork. Now Dundee, Scotland's fourth city, has embarked on the same

Dundee had somehow lost its "Dundee had somehow lost its sense of direction in recent years," says Mr Graham McKee, who is head of the Dundee Project, n partnership between the Scottish Development Agency and the district and regional authorities founded in 1982 to regenerate the city.

regenerate the city.

For years, Dundee suffered a succession of misfortunes. The jute processing industry, which still employed 19,000 people in

have only one union

1960, now employs little more than 1,000. Two major electronics employers, National Cash Register (NCR) and Times, have made drastic staff cuts in the past few years: NCR's workforce declined from a peak of 6,300 in the 1960s to a low of about 500 in the 2211 1980s

of 6,300 in the 1960s to a low of about 800 in the early 1980s, though it is now back at about 1,200. Timex employed 7,000 people in 1981, Now it has a payroll of under 1,000.

Perhaps in part as a result of this contraction, Dundee went through a period of poor industrial relations, while its Labour district council, then under the control of the left wing, became a scene of infighting and murky rumours. The council did the city's image little good by twince the council of the cou city's image little good by twin-ning it - smid heavy publicity - with the West Bank town of

Nabins.

The spirit of enterprise which enabled Dundee to prosper in the late 19th and early 20th centuries seemed to fail it although magnificently located at the mouth of the Tay estuary, it won only a small share of the North Sea oil supply business. The city which in the 19th century gave birth, along with Edinburgh, to the investment trust, can barely claim to be a financial centre at all today.

be a financial centre at an today.

Just as Glasgow powered its revival with the Glasgow's Miles Better alogas. Dundee gained vital symbolism nearly two years ago by bringing back to the city Captain Robert Scott's polar exploration ship Discovery. Now the smart logo Dundee City of Discovery is ubiquitous.

the centrepiece of a major development — which obtained the go-thead last year along Dundee's long neglected water-front between the old Tay rail-

now is at the stage Glasgow bridge. The Scottish Develop-was at five years ago," says a ment Agency is in partnership prominent Dundonian. "We're beginning to get our self-confi-tence back."

The Scottish Develop-with the private sector in the beginning to get our self-confi-tence back."

The Scottish Develop-with the private sector in the same and bars, a ten-

screen cinema, a Tesco store one a classic example in and warehousing tain of how a city can tore its morale, its fabric good example of regional policy in action, backed by a development and teamwork. Now ment agency, says Mr McKee. In the past seven years some tree councils and somehow lost its SDA, 29m by Tayside Regional council, \$1m by Dundee District Council and \$40m by the council trict Council and \$40m by the private sector.

private sector.

He contrasts what Dunder is trying to do with the Government's urban development corporation strategy in England. In Dunder, he says, the SDA is in partnership with the local authorities; and rather than concentrating on a single relatively small area it is "looking at the city in the round."

The city is in a development Controversially, the area, and there is also an enterprise zone, where companies get rates relief and corporation tax concessions. But in contrast tex concessions. But in contrast to some enterprise zones, the Dundee zone is divided up into a number of little parcels of land dispersed around the city. One of them is in part of the new Technology Park, a strip of land with fine views of the Tay and of the Countraintenance.

and with fine views of the Tay and of the countryside around the western fringe of the city.

The Technology Park was created partly in recognition of the fact that major high technology employers nowadays expect to be accommodated on such prestigious sites. In a few weeks work will start on building a large plant at which Ford.

Motor Company of the US will manufacture electronic components for cara.

Persuading Ford to come to Dundee — in the face of furious competition from other parts of Europe — is regarded as a major triumph both for the city and for Scotland. It promises to help reverse the trend of economic decline and erase the memory of past industrial relations disasters. Crucially — and controversially — the plant is to have only one union.

"We're playing a long-term game here in terms of economic growth," says Mr McKee cantiously. Unemployment in the city — whose population is 180,000 — is still at 15 per cent, well above the Scottish and UK averages. But much of the isbour force is well qualified, and there are bright spots among the longer established industries. Dundee is NCR's only centre for the design and there are bright spots among the longer established industries. Dundee is NCR's only centre for the design and teller machines. The jute industry has largely given way to a successful polypropylene industry. Local companies like Low and Bonar (packaging and teaching.) William Low and D.C. Thomson (publishing) which bear the name: of old Dundee families are all flourishing.

Delieve it or not, but what you're looking at in this picture represents an investment of D £10 million

That's how much Peaudouce are spending to set up a factory that'll make the product you can see being modelled below.

As for the site for this, their first ever British manufacturing unit, we're proud to say that with the whole country to choose from they eventually decided to build in Telford. Incidentally, once in full swing, the factory's set to produce more nappies than any other in the U.K.

So what made the world's third largest producer of "baby hygiene products" plump for the Shropshire town? To understand their choice one must first consider the nappy. As a product, its value as

compared to its bulk is low. Also, by its very nature, it's a bigh volume product.





Combine these fuctors and you can see why, in the nappy world, regular, reliable and economical transport is all important.

Telford, thanks to the M54, and its location close to the heart of Britain's motorway network, admirably meets all these criteria. In fact, two thirds of the entire British consumer market can be reached from Telford by HGV in under four hours.

The French were also impressed with how easy it is to get people to and from the town. Birmingham International Airport is only a forty minute drive away, while just over two hours on a train will get you to the heart of London.

As the new factory is set to create 235 jobs, the ready availability of a skilled, adaptable workforce was another key consideration. Needless to say that in Telford Peaudouce found all the people they needed. Moreover, in the Telford Development Corporation they found the people who could make the whole project go as smooth as, dare we say it, a baby's bottom. Telford Development Corporation not only offered advice and assistance at every stage

of the planning process, but also made sure that the red tape was kept to a minimum. Add all this to the fact that Telford is set amongst some of Britain's most beautiful countryside and you'll begin to understand why the town came top of the French multinational's list.

So if you're thinking about relocating your business perhaps this baby's bottom is just the pointer you've been looking for.

But before you read the rest of the paper we'd like to leave you with one final thought. With £10 million at stake, you can rest assured that when Peaudouce finally chose Telford as the site of their new nappy factory, it wasn't a rash decision.

To find out more ring Chris Mackrell, Commercial Director on 0952 613131.



19.74

Development

CASE STUDY: CAMBRIDGE

"Where there's brass, avoid muck"

CAMBRIDGE is a city that is having to come to terms with its own success. It has consis-

tentiy resisted expansion yet it has one of the fastest growing economies in Britain. Until a decade ago, Cam-bridge remained essentially a university and market town in slightly remote and inconvenient location, but then came the development of the Cam-bridge Phenomenon, as the emergence of dozens of fast growing, high technology com-panies has come to be known.

Today there are about 450 technology-based companies in the city and its immediate surroundings. They account for 17,500 jobs or 13 per cent of total employment, twice the

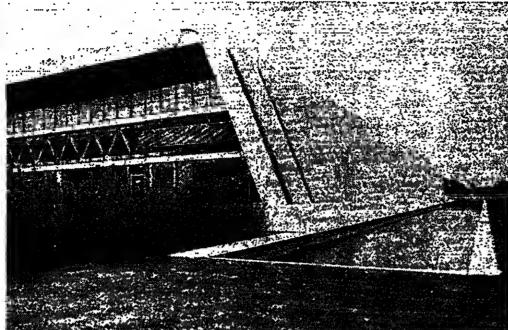
national figure.

Mr Geoffrey Datson, chief executive of the city council, believes Cambridge is now at the cross-roads. "The policy over the last 40 years has been to keep Cambridge as a market town with a population of 100,000, and with a necklace of tou, out, and with a necklase of villages to provide housing. But this has produced difficulties, and if we are to continue expanding we have to resolve our traffic and housing prob-

So where does Cambridge go from here? How does a medi-um-sized market town that has become a magnet for high-tech entrepreneurs retain its charac-ter without inhibiting the desirable industrial development taking place in and around it?

The dilemma is that Cambridge is attractive to businessmen and industrialists as well as to academics, partly because of its elegance, fine buildings and spacious parks. But there is a danger that rapid and random industrialisation could destroy

these attractions. Failure to provide adequate resources for companies and have been encouraged to their staff could result in exist- develop outside consultancy ing firms expanding at a slower rate and new businesses deciding to set up elsewhere, per-haps outside the UK. This would represent a lost opportu-



Research laboratories at Cambridge Science Park — an example, say some, of how parts of the green belt could actually be improved with sensitive development.

marily because of the presence of the university, which pro-vides the scientific brainpower that is the main element in the growth of high-tech industry. Partly by accident and partly

by design, the university has created an environment that encourages close involvement with business. The tradition of loose contractual relationships means that university teaching staff can go thto industry while retaining their academic posts, thus reducing the personal risks involved.

In the applied sciences staff interests, and over the years this has created an influential network of personal links between business and the university, and helped encourage a nity for economic growth of high level of entrepreneurial precisely the kind the country badly needs.

Among those credited with badly needs.

So far there is no sign of a slowdown, however. Cambridge remains a fertile incubator pri
Among those credited with responsibility for the Cambridge Phenomenon is Dr John Bradfield, senior bursar at

Trinity, the largest and wealthlest Cambridge college, which has a remarkable record of scientific achievement.

In the late 1960s the universities were asked by the Government to re-examine their links with industry, and Cambridge thought it should attract more science based companies to pro-vide around 2,000 additional jobs. Trinity decided to build a science park on a 13-acre derelict site on the northern out-skirts of the city, and this mod-ern landscape of glass and concrete has become the flag-ship of the Cambridge Phenomenon. St John's College has fol-lowed in the last few years with its own highly successful Innovation Park.

The accompanying growing pains have been considerable, however. The city's infrastructure has blossomed with the building of the M11 motorway and the electrification of the sail light to London but its rail link to London, but its medieval centre is choked with traffic. House prices have risen framatically with the arrival of the highly-paid technocrats and the support brigades of accountants, lawyers and management. London.

an effective Labour majority, is dissatisfied with the county proposals and, with the backing of South Cambridgeshire Disor South Cambridgesture Dis-trict Council and independent organisations, has commis-sioned a study from Professor Gordon Cameron of the univer-

Gordon Cameron of the univer-sity's Department of Land Economy which is due to be completed in a year's time. There are clearly differences of opinion among the various local authorities, the univer-sity, and other organisations, although with recent changes in senior personnel at the county council, these are less divisive council, these are less divisive than they were.

Mr David Turner, senior plan

ner with the city council, comments: "We are on the thresh-hold....things could go seriously wrong. The dilemma we have is wrong. The dilemma we have is that we do not want to prevent further growth of high tech, but we have to find some way to allow it without destroying the very elements that make Cambridge such an attractive place to live and work.

One answer came last June from an ad hoc group of Cambridge academics, businessmen and consultants in response to

and consultants in response to the county structure plan. This criticised planners for falling to provide for the continued growth of science-based compa-nies and concluded that the for under \$45,000 and a family plan contained policies "that do house is no cheaper than in the south-east. Familiar old buildings and skylines are disappearing in property redevelopments to house the additional external pressures for developments to house the additional external pressures for developments. pearing in property redevelop-ments to house the additional

shops and services which the new industry has attracted.

The city, the surrounding district of south Cambridgeshire and Cambridgeshire County Long, managing director of Council have therefore to Acorn Computers, and Mr Nick decide how they are to cope decide how they are to cope Segal, senior partner of Segal with the phenomenon and, predictably, the emphasis varies. ictably, the emphasis varies.

The county in its structure sultancy, argued in favour of plan now awaiting a decision syphoning off some of the from Mr Nicholas Ridley, Enviderent to other attractive development Secretary, aims at maintaining the tight green belt around the city and restricting developments. Some of the househuilding on the city's housing pressure would be northern outskirts – breaching relieved with a new settlement the green belt – and finally, of 2,500 houses to the north of controlled development of the

of 2,500 houses to the north of controlled development of the Cambridge near the village of Al. corridor, particularly Waterbeach. The scheme is a around Peterborough. They also compromise almed at diverting favoured the building of one or development away from the two satellite villages to cope

Intermediate Scotland Northern Ireland Special rates of assistance are available **North** Yorkshire & Humberside East **Midlands** Anglia West Midlands

UK assisted areas

Source: Department of Trade and Industry

The areas designated in 1984 for regional development assistance were left unchanged in the recent White Paper and will remain so for the lifetime of this Parliament. But Urban Programme inner city areas will now be eligible for the same help from the Government as assisted regions, reflecting

Wales

South Wes

the new comphasis on the inner cities. Also the distinction between development and intermediate areas is much reduced with the end of automatic grants. But two new schemes to encourage investment in plant and innovation, extended to companies employing less than 25, will be available from April 1 in the Development Areas.

drawbacks of Cambridge could begin to tell, warns Nick Segal, He believes that parts of the green belt could actually be improved with sensitive development, as has happened with Trinity's Science Park.

These views are supported by r David Keeble, a Cambridge University geography lecturer and expert on the location of high tech industry, "I personally feel that a limited breach south and west where an explo-slon of growth is threatened homes.

"Unless the physical issues of the green belt policy should-because of ease of access from "Unless the physical issues are grasped soon, the potential allow for more housing," he

Says.
Similarly, the Confederation of British industry is in favour of building satellite villages and relaxing the green belt policy close to the city centre. Mr Arthur Wilman, local CBI director, says; "The Cambridge address is now a magnet to many companies. It has brought problems of traffic and housinst but these can be overcome by forward planning.

Perhaps the key lesson of Cambridge is that murturing the environment need not necessar-

ily stifle growth - it could help to generate it. Nowadays, the old North Country saying where there's muck there's brass' needs to be turned round. In high tech industries the key input is skilled brainpower, and if a city has a poor environment scientists, technologists and other professionals, will not want to live there. And

If they do not want to live

there, the city will not prosper.

Richard Evans

South East

TRY TORFAEN

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TORFAEN BOROUGH COUNCIL IS INITIATING A COMPLETE AND COMESIVE ECONOMIC DEVELOPMENT PROGRAMME FOR THE EASTERN VALLEY OF GWENT, WITH ITS

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SOUTH WALES.

he a concerted drive for resources, the object is to erate new public and private sector initiatives in the industrial, commercial and tourism sector: huilding on Torfaen's proven track record for lating new and expanding enterprises, offerin

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Lack of awareness of what grants are available, says Hazel Duffy, is creating...

increasingly in demand in the overnment-industry nexus.

The new direction of the Department of Trade and Industry, set out in the recent White Paper, opens the door on a treasure trove for consultants. The Department is advertising already to recruit its own part-time enterprise counsel-lors. Until a network has been set up, the Government will be calling on the belp of business consultants provided by Coo-pers & Lybrand, and Ernst &

whinney.
Enterprise counsellors will make a preliminary assessment of the sort of help that they think a company needs. This will be passed on to independent contractors, like the Design Council and the Institute of Marketing, in the disciplines eligible for government aid. eligible for government aid, which will include marketing, design, quality, business planning, manufacturing systems, financial and information systems, research and technol-

ogy.
The contractors will provide specialist consultants, the DTI paying half the cost of between

five and 16 days of consultancy necessarily yield immediate about European Community all that they want. They then time (two thirds in the assisted results.

There are virtually no houses for under £45,000 and a family

for such services has been put in the public spending White Paper at £74m next year, rising to £91m the following year, and £109m in 1990-91. At this level, it will exceed the £90m of regional selective assistance. that the DTI expects to pay this

financial year.

Many of the consultants to be brought into the scheme are expected to be from small, spe-cialist firms. The DTI is confi-

and inner city areas).

Government financial support for such services has been put in the public spending White Paper at £74m next year, rising the groundwork for them to £91m the following year, and the following year, and the following year, and the for the money. The more ask for the money. The more complex the qualifying require-ments, and the greater the degree of discretion left to government departments - as with regional selective assistance opportunity to sell their ser-

cialist firms. The DTI is confident that the scheme will work smoothly, although ontsiders suspect shortages of good consultants, particularly in certain parts of the country, will emerge.

Ministers think that if they can persuade smaller companies to invest in consultancy, there could be a dramatic improvement in their perforimprovement in their perfor-knew of the existence of urban mance. The extra encourage-ment to companies in assisted Training Scheme was named by areas and the inner cities is 80 per cent. Regional Selective ment to companies in assisted areas and the inner cities is 80 per cent. Regional Selective designed to overcome the traditional reluctance on the part of such companies to spend money for innovation schemes by 43 on something which does not per cent. Levels of awareness

A company contemplating expanding somewhere in the Community, and wanting to Community, and wanting to take advantage of the aid regime in different member states, faces a bewildering task in deciding where – after considering the usual factors such as labour availability, transport, etc. The public policy study centre at Strathclyde University has had considerable success with business and public sectors clients through its constantly up-dated inforpublic sectors clients through its constantly up-dated information system on grants and incentives, known as Euroloc. The centre also produces a publication that lists all types of government support for business in the UK, including a special section on Northern Ireland, and a guide to European regional incentives.

Consultants, and business organisations like the Confeder-ation of British Industry, are plugging in to such information bases, so that they can offer bases, so that they can offer large companies as well as their clients and members infor-

grant. Increasingly, however, consultants will undertake the paperwork, and, in some cases, conduct the discussions with civil servants in Whitehall and officials in Brussels. One of the first specialists in this area was

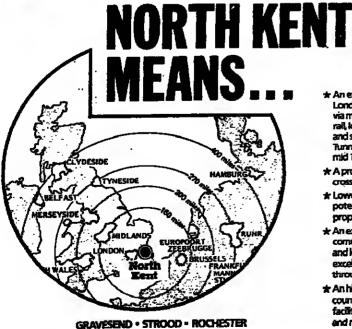
One of the newest entrants will be Barclays Bank, which shortly launches a business grants advisory service in con-junction with Deloitte, Haskins

Several of the consultancy wings of the blg accountancy firms have spotted the grants opportunity. They include Peat, Marwick, and Ernst & Whinney, who are putting considerable resources into offering information and assistance packages on grants to companies. Some grants to companies. Some larger companies appoint one of their staff specifically to look after grant applications. Even so, consultants report that their services are used sometimes by mation on the best incentives: which tend not to have in-house For many companies, this is specialists in this area.

The new emphasis on selective assistance as the main route to regional funds can be expected to boost the consultants' role. Although the DTI's regional offices claim that smaller companies are in the majority in being awarded regional selective assistance, many are put off by what they see as the complexities of prov-ing to civil servants that their project would not go ahead unless there was aid.

Urban regeneration, laner cities are currently buzz words. and the consultants are in there as well. Management consultants Stoy Hayward is about to launch a consultancy service to prospective private and public sector clients to explain the opportunities, problems, types of support, in the partnership concept. Partners in the consultance of the private of the consultance of the partnership concept. concept. Partners in the consultancy project with Stoy Hay-ward are consulting engineers and planners W S Atkins, and Clive Lewis, surveyors. The aurveyors Drivers Jonas already have a long association with government and private sector clients in this area.

sector clients in this area. All the signs contained in current policies on the regions and inner cities point to consultants having a role at the interface between government and business. It is for consultants to exploit this need sensibly.



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More self-reliance

a partnership of private and the grants system. For instance

confinued from page 1

(2.42 persons) was £269.06 a
and 1981: Milton Keynes week during 1985 and 1986. In
topped the list, followed by the North of England, the averTamworth, Redditch, Bracknell, age household (2.5 persons)

Radical policy shifts for the
regions are frequently urged on
governments. Political reality Tamworth, Redditch, Bracknell, age household (2.5 persons)
Basingstoke, Widnes & Runcorn received an income of just
(the one exception to the rule £187.72. The most marked difof the South), Telford, Horsham, Northampton and Banbury. The populations of Norwich, Cambridge and higher than the comparable figPeterborough shot up in the ure for the North. This may
same period.

In the main, it looks as North but only of cort the same period.

In the main, it looks as North, but only, of course, if though the Government's determination to maintain most of the Green Belt policy as it development comes full circle. So the question of regional development to the South East has Government policy in the had the effect of pushing development just beyond its periphtowards wealth creation, rather than the reduction of unempressure on places like Campany and the side of the side of the side of the course of the course, if the

pressure on places like Cam-ployment - the "jobs will fol-bridge to relax their tight grip low" argument.

The suther of a recent Row bridge to relax their tight grip low argument.

The author of a recent Bow lit may well be that companies Group pamphlet agrees. To do will look further afield in deciding to escape the high costs of government must take far more the South East. Glasgow Action, radical action than overlanding the drawle market.

a partnership of private and the grants system. For instance, public sector interests, is trying taxes should be reduced within to persuade financial services the regions and tax allowances to move to their city. Glasgow is reduced outside, helping to a city which has come back regain capital and human with enormous bounce. But so resources in the regions. Mortfar, at least, it is proving hard gage interest relief, business work to convince companies to expansion funds and relief on pension contributions disguise a huge subsidy to the richer take the plunge and move pension contributions disguise a north.

The uneven geographical regions, and should be phased spread of the UK economy is out. But regional pay differenhighlighted in household tials, starting with the public income and spending disparisector (civil servants, doctors, ties. The income of the average State industries) should be household in the South East encouraged to reflect local

regions are frequently urged on governments. Political reality turns governments against such action. Hence, the development agencies in Scotland and Wales, agencies in Scotland and Wales, and the Industrial Development Board in Northern Ireland, are made to adapt but are not abolished by the Thatcher government. Regional assistance is maintained, but almost certainly on a diminishing trend. Meanwhile, the more fundamental tax subsidies continue to favour the richer areas.



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Newmont Gold set for five-year growth plan

company claims will be the largest gold producer in North America this year, has alected two vice-presidents and reorganised four of its staff departments. The aim is to put more weight behind the company's aggressive oew five-year growth programme.

The New York-based Newmont Mining owns 90 per cent of Newmont Gold, now by far its most fruitful asset. Consolidated Gold Fields, the UK-based mining finance house; now has just under half of the Newmont Mining voting equity, but restricted to that level by a 10-year Standstill Agreement.

Mr T.P. Philip, the president,

Management restructuring

AS PART of a management restructuring plan at the Zurich-based Jacobs Suchard group, Mr Gerd Zinser has been given responsibility for chocolate and confectionery operations and Mr Charles Gebhard for the coffee sector.

The division of responsibility for the two main product lines replaces a former structure based on national markets. This is seen as a necessary adjust-

is seen as a necessary adjust- services of controlling, market- election as vice-chairman.

moves at Jacobs Suchard

of capital projects planned by Newmont Gold, which stated that it currently has the largest announced gold reserves in North America.

"During the next three years, Newmont Gold will be nearly tripling its output to more than 1.5m ounces of gold," declared Mr Philip. "These exacutives have the responsibility of mak-ing certain that we meet our ing certain that we meet our objectives."

for Lord Carrington

ANZ post

The three vice-presidents and McAnany report to Mr R.L. Zerga, executive vice-president and general manager.

In his new position as manager of projects, Mr Lawrence will be directly involved with the more than US\$400m worth of capital projects along a larger of projects. The more than US\$400m worth the succeeds Sir James of capital projects played by McNettl AC CRE a director of McNettl AC McNeill, AC, CBE, e director of



Lord Carrington

ANZ until July, 1986, who died in March last year. Lord Car-rington's ties with ANZ extend back to 1965, when he became a board member of the bank. He was chairman of the ANZ group from 1967 to 1970. from 1967 to 1970.
The International Board of

Advice was formed in October, 1986, and comprises a distin-guished and experienced group to whom ANZ looks for advice on business and economic con-ditions, and on opportunities for business development.

Chief executive at **Burson-Marsteller**

Mr Dowling, 56, succeeds as CEO Mr Haroid Burson, almost 67 years old, who will continue as chairman on a full-time

The eppointment of Jim

INTERNATIONAL public relations concern Burson-Marsteller, claimed by the company to be the world's largest group in this field, bas announced that Mr James H. Dowling, president and chief operating officer, has in addition been named chief executive officer (CEO), only the second in the company's 35 years of operation.

since he was named chief operating officer five years ago."
In 1964, Mr Dowling joined the company as an account executive. Previously, he was associated with Motil Oil after serving as e writer/editor with Newsweek, Associated Press and United Press International.

During his years with Burson-Marsteller, he has been manager of the firm's two largements. aince he was named chief operating officer five years ago."
In 1964, Mr Dowling joined the company as an account executive. Previously, he was associated with Motil Oil after serving as e writer/editor with Newsweek, Associated Press and United Press International.

During his years with Burson-Marsteller, he has been manager of the firm's two largest offices, situated in New York and Chicago. He was oamed president of US operations in 1975, and worldwide president and chief operating officer in 1983.

In Mr Burson's 36 years as

"The eppointment of Jim Dowling recognises the reality of the management structure that has been operative at Bursoo-Marsteller for several years," Mr Burson said. "Dowling has borne the worldwide management reaponsibility totalled about \$135m in 1987.

Salomon executive joins Ecoban merchant bank

MR FREDERIC G. Schwarz, formerly a vice-president and treasurer of major US investment banking group Salomon Inc. and treasorer of its Philipp Brothers subsidiary, has joined Ecoban Associates, a Naw York-based international merchant banking concern, as chief financial officer.

During a 17-year period at Salomon/Philipp Bros., Mr Schwarz will fortunate to find an executive with such depth of experience and extensive contacts in international finance and banking circles.

The Challenge of Change for **Commercial Analysts**

We are looking for two graduates who thrive on change. The Electricity Supply Industry is about to undergo major changes which will require significant development in its policies to meet the challenge of new competitive situations. The terms on which electricity is bought, produced, and sold to 20 million customers will be crucial to the profitable development of the husiness.

Following staff promotion, we are looking for innovative, numerate men and women with relevant commercial/financial experience in a major business who can take a total view of our business and its profitability.

Overseas Pricing Analyst

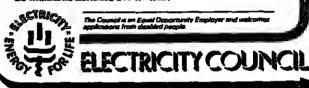
up to £22,200 You will be responsible for monitoring, analysing and advising on energy teriff levels in the UK and overseas. There will be involvement with other utilities worldwide and consequently there is occasional need to travel in Europe. Reference 156/FI.

Bulk Supplies Analyst up to £18,800

You will be involved in examining electricity costs and performance as they affect terms for bulk supplies to distribution Boards and in tariff developments for new large bulk supplies. Reference 187/FT.

These are demanding posts requiring a high intellectual ability and a readiness to work under pressure. A degree or equivalent is required in economics, engineering, finance or other

Please send career details and present salary (quoting the David Webb, Recruitment Officer.



Accountancy Appointments

Head of Finance and **Operations**

International Bank City base c£55,000+car+benefits

an exciting new opening within the London branch of this international Bank for a Head of Finance and Operations.

The role will have a wide brief. covering the overall direction and coordination of; financial control, data processing, personnel and operations. As a member of the Senior Manageexpected to play an integral role in

Internal reorganisation has created the overall direction of the business. ideally candidates will be graduate, chartered accountants with at least 3 years' senior financial and operational management experience within a European banking environment.

Career prospects are excellent for an individual with the flexibility and . commitment wishing to pursue a career in banking and financial services. The compensation package will not be No. 1 London Bridg a limiting factor for the right candidate. London SE19QL

As advisors to our client, we will fully respect the confidentiality of any initial approach from those interested in discussing this further on 01:407 8989.

Alternatively, please write with a full CV quoting reference MCS/1040 to Michael Madgwick **Executive Selection Division** Price Waterhouse **Management Consultants**

Price Waterhouse



Divisional Finance Director

c. £30.000 + car

Our client is the major operating division of an established pic operating in the engineering sector. Turnover for the division will reach £25m in the current financial year. Prospects for further growth are excellent as the organisation continues to develop its ambitious plan to

broaden the international penetration of the business.

Reporting to the Managing Director, the appointee will essume full responsibility for the division's finance function including the creation and motivation of a professional team. Other priority areas will be the restructuring of the management information and financial control systems to provide timely and constructive advice for the correction of performance shortfalls and exploitation of opportunities. There will be active participation in the commercial aspects of the business, particularly in relation to pricing policy and product line development. Additional responsibilities

M4 Corridor

organisation and its goals.

will include the planning cycle and liaison with

This role offers an opportunity to contribute at the heart of strategic decision making and will offer scope for further development in either finance or general management. Candidates will be qualified accountants aged 35-45, preferably with previous experience gained aged 35-45, preferably with provide experience gained in a manufacturing environment. Personal skills should include a hands on, systematic approach to problem solving allied to self belief, motivation and a commitment to making a real contribution to the

Please reply in confidence giving concise personal, career and salary details to:-Brendan Keelan, Ref ER 960, Arthur Young Corporate Resourcing, Citadel House, 5-11 Fetter Lane, London EC4A 1DH.

Arthur Young Corporate Pressured to

Business Systems Development

c.£30,000

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

at the centre of a major UK group employing some 40,000 people and generating profits in excess of £125 million from the manufacture and sale of food products.

This is a new appointment, reporting to the Director of Interes in the appointment of the management of a systematic Systems and responsible for the management of a systematic search more than thirty providing business support to the largest and most profitable UK subsidiaries. Change is the essence of the role, during a period of significant growth and

The requirement is for a record of achievement in a

Liverpool

substantial data processing management role gained within a large and complex group or divisionalised organisation, possibly in process industry or high volume manufacturing. Success will stem from a strong management style backed by sound experience of using systems to meet business objectives.

Age: lete 20's to early 30's.

Please write in complate confidence to Peter Craigie as adviser to the company: Arthur Young, Corporate Resourcing, 17 Abercromby Place, Edinburgh EH3 8LT.



Arthur Young Comporate Resourcing

A MEMBER OF ARTHUR YOUNG INTERNATIONAL

FINANCIAL CONTROLLER

London c.£35,000 + car

This specialist international insurance group, which plans further expansion, is seeking a Financial Controller to take on a broad

Reporting to the Chairman, the person appointed will assume responsibility for the accounting and financial management of the UK company and for developing appropriate systems and accounting controls throughout the group. Familiarity with the insurance sector is needed, together with a sound understanding of computer-based systems, There is an opportunity for overseas travel,

particularly to the United States.

The role requires an energetic, confident and self-motivated chartered accountant, who is equally comfortable adopting a "hands on" approach or contributing at a strategic level. Excellent communication skills are required to enable the successful candidate to liaise and negotiate with professional advisers and regulatory authorities.

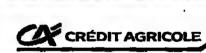
Please write in confidence with full career details, quoting reference F2895, 10 Valerie Fairbank.

KPMG Peat Marwick McLintock



Manager-Finance

Executive Selection and Search



MORTGAGE LENDING

£30,000 + Car + Banking Benefits

Credit Agricole is proud of its position as one of the leading banks for personal finance in Europe. Its range of products in Mortgage Finance, Consumer Credit and Funds Management has given it a competitive edge in today's markers. Credi Agricole Mortgages has been established in London as the first stage in the development of personal finance business in the UK. Priority is now being given to the recruitment of key ndividuals to build a team responsible for this development.

Reporting directly to the Executive Management, you will be fully responsible for the establishment and management of the finance function: financial and management reporting, tax and legal compliance, cash flow management and settlement. The design and implementation of information systems and controls to ensure effective securiusation in the future will be a major responsibility.

Candidates must be graduate Chartered Acconstants (aged 27-35), able to display a high level of analytical and

conceptual ability and ideally some mortgage related experience in the Financial Services sector. This is a challenging opportunity for a highly self-motivated ambinous individual with strong interpersonal and communicative skills, able to impact directly on the success of the company. Candidates must also be influential in dealings at all levels as an integral member of the senior management learn.

For further information, please telephone or write, enclosing full career details to Martin Krajewski, Firth Ross Martin Associates, Wardgate House, 59a London Wall, London EC2M 5TP. Telephone: 01-628 2441.



FIRTH ROSS MARTIN ASSOCIATES LTD.

Joint Venture Accounting Supervisor Make an Impact in a New Role

Independent Oil Company

Create and develop your own rola within a successful and active oil company. Poised to commence its first North Sea development as operator, it has widespread interests on and

offshore UK. You will supervise a small team venture eccounting including the enhancement of procedures as the field development proceeds; and liaison with the project team and partners. You will also oversee the establishment of

accounting for Aberdeen based operations with involvament in accounting for exploration drilling as operator

Ideally you are qualified with c5 years' oil company experience which includes confidence) to: joint venture accounting. Additionally involved in all matters pertaining to joint you are a proven manager and capable of achieving results through your own

Based in London, you will command a negotiable, competitive salary with company benefits including a generous Tel: 01-629 5909.

high degree of autonomy. Please telephone or write (in complete se Jagger, npson Crowden Consultants Ltd., Specialists in Executive earch and Selection, 97/99 Park Street.

London W1Y 3HA.

share participation scheme. You will

also enjoy working in an interesting and

positive environment which provides a

Simpson Crowden CONSULTANTS

Your new career horizon

The Corporate Finance Support Services Division of Coopers & Lybrand offers the opportunity to join a multi-disciplinary team which provides a range of services to the financial community and corporate clients, including:

- Turnarounds and capital restructuring
- Mergers and acquisitions
- Management buyouts and development capital Flotations
- Business planning and investigations
- Capital resourcing Bid defences

These positions will suit 27-32 year olds with the intellect, experience and interpersonal skills to manage client relationships at the highest level. We are looking for:

- CA's with commercial flair
- MBA's with industrial or commercial experience
- High flying business managers

Naturally salaries will reflect the fact that we are looking for the very best. Please apply in writing with full career details to Rod Kentish at:

Coopers &Lybrand

Group Financial Controller ... an international opportunity

US \$70/80,000

Antwerp, Belgium

Our client is an international organisation, principally concerned with tobacco and commodity trading and shipping. The Group has expanded impressively since it was established eleven years ago and tumover is now around S170 millions.

In line with this growth, the financial function is being re-organised and there is now a requirement for a strong financial manager to report to the Group Managing Director. This will be a dynamic head office role with a brief not only to co-ordinate accounting activities worldwide but also to be responsible for all treasury and banking functions including credit lines for outlying operations.

The successful candidate will be appointed to the Group management board. It is likely that your qualifications will be based on the British system and equivalent to ACA. You should have gained several years' senior management experience in an international, commercial environment. Personal qualities will include ambition and assertiveness with above average energy and

If you consider that you have the necessary qualities, please write - in confidence - to Nigel Bates FCA, ref. B.34022.

MSL International (UK) Ltd, 52 Grosvenor Gardens, London SWIW OAW. Offices in Europe, the Americas, Australasia and Assa Pacific



TOUR OPERATORS c. £22,500

FINANCIAL CONTROLLER

Our client is one of the largest Tour Operators in the U.K. with subsidiary and associated companies in ten countries. The company is committed to continued investment and has ambitious plans for

- A challenging opportunity has now arisen for a Financial Controller who will contribute to the development of this energetic business. Responsibilities include:
- Financial planning, budgeting and forecasting.
 Preparation of financial and massgement accounts and
- Cash and foreign currency management and control.

 Provision of financial advice to operating management

Applicants should be qualified Accountants, age 27+ with a proven track record at management level. Experience in the travel industry would be an advantage but is not essential.

Interested candidates should write enclosing a c.v. to Murray Sweet, FCA, Philips Ell & Gross, 54 Welbeck Street, London W1M 7HE

GROUP FINANCIAL CONTROLLER CENTRAL LONDON

Our client, a young expanding Financial Services Company has trebled turnover and staff in the last 18 months to 100 million. Further expansion is already

Reporting directly to the Financial Director, the candidate will take overall control of all the group accounting requirements and be capable of developing the computer system.

Candidates will be Accountants looking for a career in an expanding, dynamic company, capable of controlling and motivating staff and have the ability to contribute to group expansion.

CV's in the first instance to:-Mary Caldwell, 118 New Bond Street, London W1Y OBH RECRUITMENT CONSULTANTS

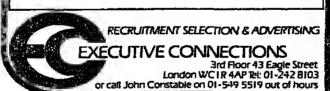
CORPORATE FINANCE

YOUNG, UPWARDLY MOBILE **CHARTERED ACCOUNTANTS**

Two graduate Chartered Accountants, aged 24-29, are sought by a leading merchant bank based in the City. Working in an expanding and dynamic environment, your responsibilities will cover mergers, acquisitions, bids, defences, flotations, management buyouts, new issues and specialist financing exercises. To qualify for consideration, you should possess an excellent track record, strong interpersonal skills and both enthusiasm and commitment. The remuneration package and career prospects will satisfy the most ambinous.

The bank is a leading player in a competitive field and ascribes its success to assertive marketing and a combination of first class service and applied technical

If you are interested in these exceptional opportunities, please write briefly enclosing a C.V. or telephone for a personal history form quoting ref. 5030 to Angela Britton who is advising the bank on these appointments.



GROUP FINANCIAL CONTROLLER

Merseyside Age 28-35

c£25,000 Package + Car

Our client is a very successful, accounting. You should have commercial privately-owned multiple retail and flair, strong technical expertise and

development of controls and reporting systems, the provision of management information and the preparation of statutory accounts for all the Group companies. You will also be expected to liaise closely with the Directors on new commercial projects and feasibility studies, as well as with various financial institutions.

For this high-profile position you should ideally be a qualified graduate CA preferably with a background in retail Liverpool office quoting ref no 1/490.

property company, which employs excellent communication skills. You c1000 people. It has achieved an enviable growth record, with turnover historically doubling every four years.

Reporting directly to the Board, your capacitation skills. You must have had good previous experience in the development of computerised accounting systems and in the use of Lotus 1-2-3 or similar spreadsheet packages. A mature and responsive main responsibilities will include the packages. A mature and responsive personality will also be required to manage and motivate staff at all levels.

> Prospects within this fast-moving and developing environment are excellent particularly as it is intended that the position will lead to a Board appoint-

Relocation expenses will be paid, where appropriate.



Trident House, 31-33 Dale Street, Liverpool L2 2HF Tel: 051-236 9373

Eagle Buildings, 64 Cross Street, Manchester M2 4JQ Tel: 061-834 0618

Financial Controller

to £45,000 + Car

This vaconcy, which arises as a result of internal promotion, is in a very large marketing driven multinational consumer goods company, currently pursuing a vigorous programme of international expansion.

Within this strategy the board recognises the vital importance of a strong central control function and the key position of the Financial Controller who is responsible for maintaining an objective and very critical focus on the business plans and performance of the operating divisions. He/she will also play an important role in managing the strategic planning process and the financial analysis of prospective new business ventures. Very high standards of commercial judgement, analytical and reporting skills are required. Exposure will be at the highest level throughout the arganisation and there will be a small, very high colibre team to direct and manage.

Demonstrable success at the Controller level in a large fast.

Demonstrable success at the Controller level in a large fast moving international business is essential together with the personal qualities which will later be associated with a major plc board appointment.

The position is based in Outer London. Relocation assistance is available if necessary. Age guideline 33-38.

Please reply in confidence quoting ref. L 353 to:

Brian H Mason, Mason & Nurse Associates, I Lancaster Place, London WC2E 7EB. Tel: 01-240 7805

Mason & Nurse Selection & Search

Our client is an agro-industrial corporation operating in 11 countries with a turnover of some 1 billion US dollars equivalent. Being the market leader in its field of activity, this autonomous division of an international group is following a well tried and dynamic strategy.

On their behalf, we are looking for a

Manager, Financial Reporting and Procedures

This is a European Management position, reporting directly to the Finance Director. It is based in the Brussels headquarters.

The major responsibilities are Co-ordination of the financial accounting information requirements of the

headquarters and thirteen affiliates Development of the group's accounting policies and reporting Supervision at group level of the European consolidation and tax matters

Liaison with the external auditors The ideal candidate (m/f) would be

Up to 45 years old

A university graduate and/or professionally qualified
 Fluent English; French would be an asset.

He/She would have gained relevant and successful experience in an audit firm and international corporation.

Our client offers a very attractive remuneration package and is able to provide excellent career prospects for the right individual.

Candidates interested by this outstanding opportunity should contact Thierry Raickman on 010 322.648.13.84 or send their curriculum vitae for his attention to Michael Page International, Avenue Molière 262. 1060 Brussels.



Michael Page International
Recruitment Consultants

London Amsterdam Brussels New York Paris Sydney A member of Addison Consultancy Group PLC

Divisional financial controller

with succession potential, Oxfordshire



Whether one considers their achievements in revenue, in profitability or their standing in the market place, the growth of this key division of General Foods Ltd. makes this business one of the most desirable with which to become associated. With divisional turnover at around £40m and its management eager to exploit every market opportunity, the prime requirement is to express, in financial terms, the means by which the business can achieve its objectives.

Whilst being responsible for financial reporting and the management of a small professional team, you will operate as a key player in the General Manager's team which is largely marketing/sales orientated. Your role as financial advisor is critical to the success of the business as growth continues in the UK and Europe.

Opportunities for career advancement both in the U.K. and abroad are excellent within the international division of this major consumer road into a second and second are excellent. within the international division of this major consumer products group.

Aged in your 30's, ideally a graduate ACMA with well developed skills in financial planning and control, gained within a progressive blue-chip environment, you should be seen as capable of promotion within 2-3 years.

The compensation package which includes a fully expensed executive car, will be attractive to those currently earning between £20,000 and £25,000.

Please send a career history, which includes a daytime telephone number, together with an indication of present salary, to Stephen Smith, quoting Ref. \$148.

Coopers & Lybrand Executive Selection

Coopers & Lybrand **Executive Selection** Limited

43 Temple Row Birmingham B25JT



DIRECTOR DESIGNATE

Our Client is a British process manufacturing company with a turnover of £9 million and an internationally respected name in both traditional and high growth industrial markets. It also forms an integral part of a dynamically successful British industrial group with both UK and oversees interests and a reputation for outstanding management combined with technical excellence. As market leader in its field, the company is recording excellent profits and offers exciting growth opportunities.

Controlling 7 staff and reporting directly to the Managing Director, you will assume total responsibility for Finance, Accounting, Administration, I.T., and Company Secretarial functions. This is a comprehensive and senior decision-making role with an emphasis on the provision of authoritative information contributing to the profitable operation and growth of the company. In particular, the brief involves immediate control of the continuing development and application of computer systems, including the installation of an IBM mainframe. An early full Board

Suitable candidates will be ambitious qualified Accountants, aged 30-35. with relevant management and computer systems experience in small and medium sized manufacturing environments. The ability to manage, motivate and compibute effectively at all levels is critical, together with the maturity and commitment to progress in a successful and progressive group.

Please apply directly to our Advising Consultant, John Woodcock, at Robert Half, Kensington House, Suffolk Street, Birmingham B1 1LN. Telephone 021-643 1663. evenings 0386 750962.

Financial Recruitment Specialists London · Birmingham · Windsor · Manchester

Deputy to the Controller

International Transportation and Leisure Group

Qualified ACA

11.68

Package in Excess of £30,000

Central London

This sizeable and profitable international public group, with major interests in energy transportation and leisure, is a market leader its Central London offices provide a fast moving, challenging environment and a unique opportunity to enjoy early responsibility in a small, highly automated accounting department.

As Deputy to the Controller your responsibilities will include the monitoring of financial results, reports on performance to shareholders, special project work and the development of computer modelling techniques. In addition you will deputise as necessary for the Controller, develop and coordinate the group planning

In your mid to late 20's and an ACA with a good degree

and examination record you have recently qualified with a leading accountancy practice. Ideally you have post-qualification experience gained in a commercial environment. A self-starter and adaptable you are capable of managing and motivating a team as well as communicating effectively at all levels.

The package is generous and offers a competitive salary commensurate with age and experience, an attractive range of fringe benefits and a company car. Please write with full career and salary details in complete confidence to Margaret L. Elliott of Cripps, Sears & Parmers Limited, Personnel Management Consultants, International Buildings, 71 Kingsway, London WC2B 6ST. Telephone 01-404 5701.

Cripps,Sears.

ACCOUNTING MANAGER

IPSWICH MID/LATE 20's c.£20,000 + CAR AND EXCEPTIONAL BENEFITS

Volvo Concessionaires is an important and highly successful subsidiary of Lex Service plc, the £1 billion automotive and electronics distribution

The Company's ambitious and innovative approach has resulted in the establishment of two autonomous activities which are currently small but have significant potential. This position has been created to ensure that the operational management have a dedicated resource to provide them with a full financial and accounting service.

The role is therefore wide-ranging and calls for a commercial outlook, good communication skills and the personal confidence to operate without day-to-day supervision. Applicants should be qualified accountants.

Benefits include a non-contributory pension scheme, private medical insurance, 28 days' annual holiday, plus relocation if appropriate.

Write or telephone for an application form or send full details (with daytime telephone number and current salary) to our adviser, R.A. Phillips, ACIS, FCII, Phillips & Carpenter, 2-5 Old Bond Street, London WIX 3TB, Tel: 01-493 0156 (24 hours). Please quote Ref: 1656/FT.





information analysis and business development . . .

GROUP MANAGEMENT ACCOUNTANT

Investment Banking c£40,000 + car + benefits

At the forefront of activity in the City of London, our client is a major investment bank. Controlling a range of financial service activities both in the UK and internationally, the bank is undergoing rapid growth.

In a demanding position requiring a high profile throughout the organisation, the key responsibilities of the Group Management Accountant will be to initiate systems development, review, analyse and present information and have a significant impact upon business control. As a senior member of the high quality headquarters team, he or she will participate in a range of business development oriented projects and will be expected to demonstrate initiative and commercial acumen. There will be considerable opportunity for

Probably in their early 30s, applicants should be graduate accountants ideally with broad experience gained in industry or commerce. Self confidence, strong analytical abilities and clear presentation skills are required.

Please write, enclosing a career/salary history and daytime telephone number,

to David Hogg FCA quoting reference H/683/SF.

HOYD MANAGEMENT Selection Consultants 125 High Holborn London WC1V 6QA 01-405 3499

FINANCIAL CONTROLLER

SW5

To £27,000 + Benefits



Cromwell Hospital was opened in 1981 and after only 6 short years of operation is now acknowledged as one of Europe's foremost private specialist hospitals, and as a leading international referral centre. Owned and managed by a British company, it remains entirely private and independent, dedicated to providing the highest standards and advanced facilities for patient care.

As a result of internal promotion, they seek to recruit a Financial Controller to assume responsibility for the smooth and efficient running of the finance function. Reporting to the Financial Director, specific responsibilities will include ensuring the achievement of targets, reviewing and developing policies and procedures, and the supervision of approximately 35 staff. The Financial Controller will also participate in strategic planning activities.

Relevant sector experience is not essential, but emphasis will be laid on general management experience within a multi-functional unit, 5uitable candidates, Qualified Accountants, aged to 35, will be self motivated and ambitious and keen to work in an extremely progressive

To discuss this position in further detail, please contact Fiona Birt-Llewellin or John Rose on 01-629 4463 (01-542 2159 or 01-444 6012 evenings/weekends) or write to them at the address below:

HARRISON # WILLIS

FINANCIAL RECRUITMENT CONSULTANTS Cardinal House, 39-40 Albernarie St., London WIX 3FD. Tel: 01-629 4463.

Finance Opportunities

Heathrow

Our client is a leading international transportation organisation with a turnover in excess of £3.5 billion and 40,000 employees worldwide. They provide a uniquely integrated land, sea and air transportation system and they continue to expand and develop their diversified range of services. The principal UK subsidiary seeks to appoint the following key

Finance Manager To £25,000 + F/E Car

Reporting to the Financial Controller the successful applicant will develop and maintain a highly professional financial management and control function. Supported by a staff of 20, you will be responsible for the total control of financial systems, co-ordination of periodic reporting and liaison with group headquarters.

Suitable candidates will be qualified accountants with 4-5 years' post qualification experience gained in a commercial environment. Strong personal presence, well developed man-management skills and commercial awareness are essential qualities.

Project Accounting Manager To £18,000 + F/E Car

With the continuing development of the organisation there is a need to recruit this person to assist the Financial Controller in ad hoc exercises and projects as directed by

The initial key area is Systems Development. Duties include investigation, recommendation and implementation of revised procedural and computerised systems and the development of new PC based systems. Candidates will be qualified accountants in their mid-twenties with a strong background in systems development and management accounting.

Interested applicants should write enclosing a comprehensive CV to Stephen Doyle ACA at Michael Page Partnership, Kingsbury House, 6 Sheet Street, Windsor, Berkshire SL4 1BG quoting ref: SV 1061.



Michael Page Partnership
International Recruitment Consultants

London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide A member of Addison Consultancy Group PLC

FINANCIAL DIRECTOR NORTHERN IRELAND

Substantial Benefits Package Available

Our client, a diversified group based in Northern Ireland but with significant interests in and deriving the majority of its income from Great Britain and overseas, is seeking an experienced manager to join its main board as Financial Director.

The successful candidate will be an ambitious individual eager to participate in continued rapid growth. Experience of corporate development through acquisition leading to USM flotation would be an advantage.

We are looking for a mature and flexible person who wishes to take up a new challenge in a rapidly moving environment.

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This exceptional opportunity offers a benefits package including car, BUPA and pension. Share options in anticipation of flotation are available. Whilst salary is negotiable for the right candidates, those earning less than £30K need not apply.

If you believe you have the credentials for this exciting position please forward a detailed c.v. to Alastair Browne by 10th February. Confidential details will not be released to the client without prior permission.

Deloitte Management Consultants

0 High Street, Belfast BT1 2BL

Finance Director

c. £20,000 + bonus + car

West Midlands

A high calibre Accountant is oow sought to join a company with a turnover of £10 million, which is part of an expanding and dynamic group.

The company manufacture, supply and fix architectural

products for the commercial market.

The successful candidate will make a major contribution to the future shape and direction of the business

at Board level.

A qualified Accountant, Chartered or ACMA, you will already have gained several years' experience as a head of function in a

manufacturing company with a turnover of reasonable scale. Prospects for personal advancement within this progressive group of companies are first class. The salary will be negotiable, c. £20,000, a company car will be provided and there are excellent fringe benefits, including relocation stance where appropriate.

Please send full CV, which will be forwarded to our client unopened. (Address to our Security Manager if listing companies to which it should not be sent). Ref. B9547/FT PA Advertising

6 Highfield Road, Edgbaston, Rirmingham B15 3DJ Tel: 021-454 5791

Financial Controller

To £23,000 plus benefits

Central London NEW POSITION

Our client is a very colourful and highly profitable company which specialises mainly in quality photographic work for some very prestigious organisations.

The environment is one of creative freedom and expression. Open plan and open minded, it's young and progressive yet relaxed and ortistic. More importantly, it's very productive, yielding excellent results

and expanding and diversifying rapidly.

There is now an urgent need for an exceptional Accountant to take responsibility for all financial/management accounting, systems development and controls. As the most senior Finance Professional, you will work closely with Directors and be very Involved in the business itself, contributing your ideas for its continuing growth.

You will need sharp commercial acumen and experience, a hands-on approach and the ability to function as an integral team member and leader.

You will be aged 25 plus, and seeking an employer who will recognise and reward your efforts in developing the group. Send your details immediately, quoting ref. LT57 to Le Tissier Executive Selection, Ety House, 37 Dover Street, London W1X 3RB. Tel. (01) 409 1343 (24 hrs).



ACCOUNTANTS/ECONOMISTS/MBAs

At Touche Ross Management Consultants spotting the significant keeps our clients on course.

To make the move into management consultancy, one of the most important skills you will need to demonstrate is perception: the ability to take a wider view and to spot the significant through a wash of conflicting facts and figures.

It is a skill held in high regard at Touche Ross. Clients can sometimes sit too close to their own business to assess the real issues and tum to us to develop a watertight, cost efficient solution.

More and more companies are turning to us! Our need therefore is to identify further top calibre people with a well developed faculty for intuitive recognition and who are now looking to start a career where the challenge never stops.

The appeal of a career with Touche Ross Management Consultants begins from that point and continues with limitless personal scope, the stimulus for major achievement and the opportunity for reaching partnership within 4 years.

Your appeal to us will comprise a good first degree (and preferably an MBA or appropriate professional qualification) plus around five years outstandingly successful experience in commerce. industry or the service sector.

In addition we will expect to find an incisive mind, an active personality and an adroitness with spoken and written communication.

> requirements are mainly in London although opportunities are also available in our regional offices. The salary indicator is negotiable to around £35,000 and a company car (or rowing boat, if preferred) is provided.

Please write with full cv. to: Michael Hurton, (Ref 4120), Touche Ross & Co., Thavies Inn House, 3-4 Holborn Circus, London ECIN 2HB. . Tel: 01-353 7361.

△ Touche Ross **Management Consultants**

Join the International Market Leaders

Financial Controller Export Marketing to £30,000 + car + benefits



GRAND METROPOLITAN

.... adding value

International Distillers & Vintners Limited are world leaders in the wines and spirite business with such acclaimed brands as Smirnoff, Baileys, Croft, Malibu, Gilbey's and J&B Rara. We are major exporters to over 150 countries, and also have our own distribution companies in the majority of the larger markets. We are actively pursuing further tional expansion through brand development and acquisition

Based at our International Headquarters in Central London and reporting to the Finance Director of HIV Export, you will be responsible for the management of the export finance function. This will require the provision of financial and management information. relating to a range of brands, export planning by market and product and the further development of information systems to support accounting and planning through the management of a tesm of

Applications are invited from qualified accountants (ACA/ACCA/ ACMA), likely to be aged between 28 and 40. You should have substantial post qualification and financial management experience gained in a commercial environment, ideally with some international

You will be able to demonstrate the ability to work to tight deadlines. liaise effectively with sales and marketing management and to

This important appointment offers an excellent salary and benefits and more widely in the Grand Metropolitan Group.

For a detailed and confidential discussion contact Paul Goodman, Consultant to the company, on 01-587 8400 (out of hours 01-984 5242) or write to him at Financial Selection Services, Drayton House, Gordon Street, London WC1H OAN

Recently Qualified Chartered Accountant?

ROUP FINANCE

. Itali

This is an exceptional opportunity for a recently qualified Chartered Accountant to join a major UK listed consumer goods group. Our Client is a successful and developing international organisation with worldwide

You will join a small corporate head office in Mayfair with a strong finance function. Primary responsibilities include financial accounting and consolidation as well as critical analysis of operating results and business plans for the Group Board. This will involve working closely with senior financial management worldwide and the group's professional advisors.

This demanding role requires high technical ability, commercial awareness and good communication skills. You will be aged mid to late twenties and have a first class record in a major firm of Chartered Accountants. Prospects within this international organisation are excellent.

Please apply directly to Richard Carter at Robert Half, Roma Wood Street, London EC2Y 5BA. Telephone: 01-638 5191. evenings 0344 885911.

Financial Recruitment Specialists London · Birmingham · Windsor · Manchester

Outstanding opportunity in a blue chip UK Multinational

Group Accountant

To £30,000 + Car + Relocation

Our client is a prestigious, blue chip group ranking among the TOP TWENTY UK MULTINATIONALS. With an excellent record of growth and success, turnover and profits worldwide have grown substantially during the last decade.

We seek an accountant to become a vital member of the senior finance team at Group Headquarters. Reporting to the Group Controller, the varied responsibilities will include quarterly reporting, statutory accounts, and balance sheet control involving llalson with senior management across the

Group.
This is a superb opportunity in a high

profile position which will provide excellent experience for a "fast track" candidate aspiring to top management level within a major multinational. Candidates should be graduate qualified accountants, probably aged late twentles/early thirties, with at least two years' experience within the head office of a substantial group. Applications are also invited from those at manager level within

major accountancy firms. Please send your career and current salary details, including a daylime telephone number, to Barry C SKATES at our Maidenhead office or telephone him for an

London, Mardenhead Worcester Leeds

J.P. Morgan

Investment

Financial Management Qualified Accountant

* Financial Management Reports * Formal Business Planning and Forecasting * Operating/Capital Expenditure Control * Account/Product Profitability

J.P. Morgan Investment Management Inc., International fund managers, has c.\$10 billion worth of assets invested world-wide. We recognise that expert internal financial management will play a vital role in our continuing success. We are now looking for a person who will be primarily responsible for the preparation and analysis of management information in all areas related to profit measurement and control. You will be at least in your late twenties, computer numerate, and will have an accountancy qualification with 3-5 years post-qualification experience, ideally gained in a financial environment. Above all, you must be "business-orientated", with a creative approach, in order to identify our future needs and successfully implement systems necessary for this important area. Regular liaison with our Head Office in New York will be an essential feature of this role. The starting salary will not disappoint the ambitious career builder and will be accompanied by generous "large bank" benefits. Please reply with a complete c.v. to Mary Thom, Personnel Manager, J.P. Morgan Investment Management Inc., 83 Pall Mall, London SW1Y 5ES.

GKN, the major multi-national Automotive, Defence and Industrial Services Group, strengthen its M, & A. team within the Group Finance Director's function. Two senior vacancies have erisen as a result of promotion of the current job holders to Operating Company Board leval within

Reporting directly to the Head of Corporate Finance, the successful applicants will play a leading role in implementing Group strategy for acculations, divestments, mergers, joint ventures and special projects. This will involve continuous contact with senior executives and professional advisers and include structuring proposals, participating in negotiations and executing transactions.

The successful applicants will have an excellent track record and be able to demonstrate a keen commercial awareness, strong communication and analytical skills and a high level of commitment. At least 3-5 years' relevant experience in industry or the City are essential and candidates will be expected to have both a good University Degree and Accounting qualification. A working knowledge of French or German would be beneficial,

The positions are based at the Group's Head Office in Worcestershire, but will also involve travel both in the U K and overseas. An attractive remuneration package tallored to the individual will reflect the responsibilities of the appointment and will include the provision of a Company car and, where appropriate, relocation expenses.

Applicants should write with full c.v. including current salary or telephone direct to: Andrew Milne, Heed of Corporate Finance, GKN plc, P.O. Box 55, Ipsley House, Ipsley Church Lane, Redditch, Worosstechira, B98 QTL. Telephone (0527) 517715



The international automotive. defence, and industrial services group

Group Management Accountant

Rutland Trust PLC

Age 25-30 This is a newly created role in a successful, fast growing

accounting, project work,

co-ordinating budgets, and

monthly reporting.

quoted company with some 500 employees. The group specialises in a wide range of financial services: personal, corporate and professional.

Reporting to the Financial Controller and working closely with senior management throughout the group, the management accountant will be based in the London Head Office and be responsible for all aspects of management

Roland Orr & Partners

Management Consultants

Please send full career details to R. N. Orr, stating if in confidence, quoting reference M3772 or telephone for more information

To £25,000

Candidates should be graduate qualified accountants

There are excellent prospects for training and career

development in the group. The salary and benefits

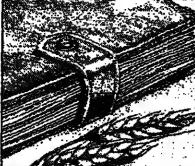
package are negotiable and may include a car.

with a commercial approach. Experience of

modelling would be preferable.

computerised accounting systems and financial

12 New Burlington Street London W1X 1FF Telephone 01-439 6891



Who says all the big money is in the City?

Surrey. c.\$25K package + car

arms, and all the frustrations of the rush hour just to earn a big City salary. This could soon be all behind you, Join this 'core business' subsidiary of a multi-national group and you'll be able to enjoy all the advantages of the green belt and still earn a package that's more in keeping with London living.

Based in the heart of Surrey, a Chartered Accountant, aged late 20s - mid 30s, is sought to join the management team. To succeed you'll need to display the necessary. fizir and creativity to review existing financial stems and provide sound practical advice on their improvement. As a result, it will be

essential that you have a sound knowledge of computer systems, accounting standards and standards of standards of standards and standards of standards and standards of standards and standards of standards and standards of standards

Your commercial instinct and detailed technical knowledge, allied to an imaginative and energetic approach to achieving targets, will ensure rapid career progression.

The company package includes an mely attractive basic salary with an excellent profit share scheme, in addition to relocation expenses where appropriate.

Write with full (V and daytime telephone sumber to Patrick Donnelly quoting ref: FE/017.

PD Consultants MANAGEMENT · SELECTION

314/316 Vauxhall Bridge Road, London SWIV IAA. Tel: 01-828 2273.

Invaluable experience at the very centre of multinationa orporate Finance

Working in our highly professional Corporate Finance department offers the ambitious a unique insight into how a modern multi-national business operates. Experience that will be invaluable for personal career development either within corporate finance or indeed in one of the Group's successful trading areas.

We've recently centralised the department in our modern Westmount Centre in Hayes (convenient for Heathrow and the M4/M25) which is why we're looking for the following staff;

Deputy Treasury Manager up to £25k + car + BUPA

With at least three years experience in a finance operations. It's a role that will multinational's treasury department, this involve considerable liaison with our is an excellent opportunity to broaden your experience. Working closely with the Treasury Manager, you'll help develop this new department's systems Likely age is mid 20's with either an covering every aspect of the Group's

companies and their management on a worldwide scale offering you an extensive overview of our operations. accountancy or banking qualification.

Sen. Corporation Tax Accountant up to £20k

Your responsibility will be for the tak "computations of UK companies, providing statutory returns and liaising with the Inland Revenue. With a commitment to reducing the Group's tax suit a newly qualified ACA/ACCA or burden as well as carrying out the usual someone with Corporation Tax.

ing and challenging work within a pro-active environment and the chance to make a real contribution in a key area of the Group's business strategy. Would

VAT Administrator up to £16k

you'll come in. As well as preparing,

With 53 UK companies and a multi assessing and processing the Group's million pound VAT return each year, this is a big role that will get bigger. Changes in regulations mean that timely and accurate returns are vital which is where mid 20's and would suit someone with Customs & Excise experience.

The people who join us now can expect excellent salaries and an attractive 'successful company' benefits package. We're a major £3 billion UK multinational committed to expanding our 'core business' on a worldwide basis, so if you've the ambition and potential to grow with us we can offer excellent prospects.

If you are interested, then send a succinct CV, in confidence, to: Miss Jackie Cowie, Personnel Officer, THORN EMI pic, The Cuadrangle, Westmount Centre, Uxbridge Road, Hayes, Middlesex UB4 0HB.

Challenging Financial Role International Bank

City: c £26,000 plus car & banking benefits

The London branch of a leading international bank is currently introducing an innovative integrated banking system, which requires the additional expertise of an Assistant Financial Controller.

Reporting directly to the AGM in charge of Finance, you will initially be responsible for ensuring the smooth implementation of the new system and then increasingly involved in the management of the department. This is a key role that requires a large degree of self-motivation

and flexibility. You must be a qualified accountant in your late twenties, with at least three years experience gained in an international

banking environment. Skilled and enthusiastic when planning and implementing microcomputer based financial systems, you will be personable, fitting well into an established professional team and capable of relating to other department managers.

As well as the first class package this represents a genuine opportunity to develop a progressive career in a successful organisation.

Please write in confidence giving details of your career to date, to: John Comish (Ref. AR. 3024) March Consulting Group, March House, 13 Park Street, Windsor, Berkshire SL4 1LU.

Personal Financial **Planning**

City Based c £25,000 + Car + Bonus

This is an exceptional opportunity for a young and talented Personal Financial Planning Manager to fulfil his or her potential.

We have our own life and pensions subsidiary company, which is enjoying rapid and sustained growth. We wish to appoint an additional manager who will assist the Managing Director in the con-tinued development of the company particularly in the innovation of sophisticated tax planning strategies for wealthy individuals both in the UK and offshore.

You will be responsible also for overseeing and implementing a variety of ad hoc assignments ranging from marketing initiatives for PFP services across the firm's 15 regional offices to participating in the development of new personal financial planning products.

To be a condidate you should be aged under 30 with an accountancy qualification or MBA. Demonstrable taxation expertise is essential. You should have an outgoing personality with well developed communication skills and a commercial approach to problem solving.

The remuneration package is commensurate with a high profile position and there are excellent prospects for continued future career progression. To apply, please write with concise CV to:

ROBSON RHODES

Chartered Accountants

Phillippa James (Miss), Recruitment Manager, Robson Rhodes, 186 City Road, London EC1V 2NU

BUSINESS ACCOUNTANT A REAL CHANCE TO BE

COMMERCIALLY ACCOUNTABLE

A qualified accountant, with business flair and aged 28 plus, is sought by an autonomous unit of a major service

Responsibilities in the post will offer considerable challenge and a major contribution to the unit management team will be expected. Specifically, accountabilities will include: financial control covering management/ statutory accounting; strategic planning; implementation revised systems, methods and procedures; plus financial and commercial advice.

The unit employs about 700 people and is part of a specialist Engineering Division through which it provides a range of installation services to the parent company. A Divisional reorganisation creates considerable scope for new initiatives at local level.

Commercially minded individuals should write briefly enclosing a C.V. or telephone for a personal history form quoting reference 5035 to Angela Britton who is advising the company on this vital appointment.

RECRUITMENT SELECTION & ADVERTISING **EXECUTIVE CONNECTIONS** 3rd Floor 43 Eagle Street Landon WC ! R 4AP Tel: 01-242 8103 or call John Constable on 01-549 5519 out of hours

Pour faire face à son expansion, la Fiduciaire

ADJOINT AU DIRECTEUR du département anglo-saxon

pour son siège à Genéve.

Fischer SA cherche un

La révision, le conseil, la fiscalité sont les caractéristiques de ce nouveau poste.

Les candidats, jeunes experts-comptables (CA, CPA, etc) devront être bilingues anglais/ français et avoir au moins 2 ans de pratique après l'obtention du diplôme.

La fiduciaire est fortement implantée en Suisse et ses collaborateurs y font des carrières rapides et remarquées.

Faire offre avec curriculum vitae à: Fiduciaire Fischer SA, CP 274, CH-1211 Genève 6, Suisse, ref: DMC

UNIVERSITY COLLEGE OXFORD COLLEGE ACCOUNTANT

es to appoint an accountant who, reporting to the Estates Bursar, lifty for the College's accounts and provides financial management

within the range £14,245 - £21,605 will depend on experience and The closing date for applications is Manday 15th February 1988.

Graham Warby, Personael Manager, Grant Thornton, utered Accountants, I Westmuster Way, Oxford, OX2 GPZ, Ref UC1 (Tel: Oxford 244977).

Finance Manager

Outer London

c£32,000 + car

Our client has an impressive growth and profit record and has expansion plans to take the company still further forward. Responsible for the financial control of a complex and fast moving business, the successful candidate will also be expected to make a positive contribution to its commercial development.

The company seeks a creative, graduate calibre accountant who has the strength of personality to operate at senior executive level compled with a persuasive communicative ability. Good man management skills are essential and therefore candidates aged under 30 are unlikely to have the relevant experience for this key role.

The career prospects within this major international group are excellent. Relocation assistance will be available if required. Please write or telephone

enclosing a full resumé quoting ref: 208 to: Philip Cartwright FCMA, 97 Jarmyn Street, London SW1Y 6JE. Tel: 01-839 4572

FINANCIAL SELECTION AND SEARCH

A MEMBER OF BLUE ARROW PLC Key Group Number Two Accounting Role

High Wycombe, To \$25,000, Car This company provides a first class range of products and services to 'blue chip' companies throughout the UK. Established for 15 years, it is now in a rapid growth phase. We need a capable back up to the FD, to ensure that systems are developed and operate efficiently, that reporting deadlines are met and in general that the Accounts Department provides a highly professional service. This is an excellent opportunity for a QUALIFIED or NEARLY QUALIFIED Accountant, who is keen to take up a position of substantial responsibility as a career move, in a company with considerable potential. Terms of employment are excellent and include a fully expensed car, pension scheme and private health care.

C.W. Theaker, Hoggett Bowers plc, 13 Frederick Road, Edgbaston, BIRMINGHAM, B15 1/D, 021-455 7575. Ref: B12043/FT.

Management/Systems Accountant

NW London, c \$21,000, Car

NW London, C \$21,000, Car

This company, a leader in the home improvement industry, is currently strengthening its position through diversification. A key factor in its success will be the continual improvement and design of new administrative and accounting systems throughout the company. A qualified Accountant is oeeded to make a significant contribution in this area - assessing needs and identifying solutions. Reporting to the Chief Accountant you will also be involved in ad hoc projects including new business opportunities. As part of a young and dynamic accounting team your responsibilities will include some assistance with the preparation of annual budgets and business plans. A young Accountant with good communication skills, you must have a desire to develop and expand your systems experience in a challenging, but friendly environment.

Mrs. S.M. Kellawsy, Hoggett Bowers plc, George V Place, 4 Thames Avenue, WINDSOR, SIA 1QP, 0753-850851. Ref. W18002/FT.

Financial Controller

South West, c \$18,000, Car, Benefits

South West, c £18,000, Car, Benefits

Our client is the newly created subsidiary, turnover approaching £5m, of a major US corporation. Manufacturing and marketing industrial products, mostly textile based, they are now restructuring for further growth and expansion. Reporting to the Operations Manager you will be responsible for the company's accounting and administrative affairs. In addition as a key member of the management team you will advise senior management on all financial and commercial aspects of the business, making investment appraisals, preparing budgets and ensuring financial controls and monitoring systems are in place. The ideal candidate will be aged 25-35, ACA, ACCA or ACMA, with experience in manufacturing industry and a well-developed awareness and familiarity with computerised accounting systems. The benefits package includes relocation assistance to an exceptionally pleasant part of the West Country. part of the West Country.
K. Townrow, Hogsett Bowers plc, 30 Queen Square,
BRISTOL, BS1 4ND, 0272-238483. Ref: D11038/FT.

These positions are open to male or female candidates. Please telephone for a Personal History Form to the relevant office, quoting the appropriate reference.

Tax managers -Potential partners

ACA's 28-35 Ex Revenue -Solicitors/Barristers

Central London from £25-£50K + car

Our client is a "top eight" international firm of chartered accountants with a large London tax department (total staff over 300) seeking to recruit a number of tax managers with the potential to achieve partnership status in the short or

The firm's listed client base is very broad ranging and includes major national and international groups from Banking, Insurance, Oil, Mining, Heavy Engineering, Manufacturing, Conglomerates, Airlines, High Technology to fastgrowing USM's and many small, medium and large private companies across a variety of sectors plus wealthy individuals and entreprenuers.

Opportunities exist for men and women with strong personalities and a commitment to client service at the highest level.

Candidates should ideally have experience of corporate tax planning or personal financial planning gained in a medium or large firm of chartered accountants, possibly in the tax department of a large international group, The Inland Revenue (Inspector FT upwards) or as a specialist tax solicitor or barrister within a legal practice.

For more information, please contact George Ormrod or write with a copy of your C.V. plus tax technical C.V. to B.A. (Oxon) or Martin Purrier B.Sc., A.C.A. on 01-836 9501 quoting reference No. 8374.



FINANCIAL & MANAGEMENT RECRUITMENT CONSULTANTS

CONDON-BIRMITENAN-LINERPOOL-MANUALISTE ! ALE CEEN CONSURANT GLASSON DOUGLAS LLAMBIAS ASSOCIATES LIMITED, 410 STRAND, LONDON WCZR ONS TELEPHONE: 01-836 9501

Divisional Financial Controller

Central London to £30,000 + Profit Share and f/x Car

Our client is one of the leading Communications and Consultancy Groups in the UK with an impressive growth record to date, and an enviable Blue Chip client base. The Public Relations Division, within which this vacancy exists, comprises three companies providing a very broad spectrum of PR services.

With an ongoing process of decentralisation, and an increasing emphasis on the achievement of profit and growth objectives, the need for commercial input and sound financial control is critical.

The main task for the successful candidate will be to develop the accounts function, recruit the appropriate staff, refine control procedures, and run the department efficiently. This will be in addition

to providing the Chief Executive and the three MD's with support, direction and guidance particularly in relation to business expansion and strategic development.

To qualify for this exciting opportunity, applicants should be: aged late 20's to mid 30's, qualified, computer literate, and have sound man management experience. Needless to say, strong interpersonal skills, and commercial intuition are prerequisites.

Prospects of promotion within the Group are excellent. If you possess the necessary qualities our client seeks, please write enclosing a comprehensive curriculum vitae and daytime telephone number to Tony Martin, Executive Division, 39-41 Parker Street, London WC2B 5LH, quoting ref. 484.

Michael Page Partnership

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide A member of Addison Consultancy Group PLC

Deputy Treasurer c £30,000 + Car + Benefits Surrey

Our client is an international public group with turnover and market capitalisation both in excess of £1 billion. The group has achieved substantial growth in recent years both organically and by acquisioon

An exciting opportunity now exists within their highly regarded Group Treasury, which has a reputation for an innovative approach to global treasury management, based at their corporate headquarters in Surrey.

Reporting to the Group Treasurer, you will manage a small team responsible for day to day dealing, cash and liability management, group cash flow forecasting, debt analysis, futures etc., and will also develop treasury systems, negotiate funding facilities, review new treasury instruments, and manage inter-group

You are likely to be aged 26-32, probably with an

accountancy qualification and corporate treasury experience with emphasis towards debt and financing. Good management and communication skills, together with a creative approach to treasury management are essential in this high exposure role.

The remuneration package will include a fully expensed executive car and share options in addition to the normal fringe benefits. Relocation assistance will be

provided if necessary. If you feel that you have the qualities sought for this position, please write to Barry A. Ollier ACA, Executive Division, 39-41 Parker Street, London WC2B 5LH, enclosing a comprehensive

curriculum vitae and daytime telephone number, quoting ref. 483, or ring him on 01-831 2000.

Michael Page Partnership

International Recruitment Consultants London Bristol Windsor St Albans Leatherhead Birmingham Nottingham Manchester Leeds Glasgow & Worldwide A member of Addison Consultancy Group PLC

General Manager

- Accounting and Administration

Hire Purchase and Leasing

c. f.30,000 + car + benefits

Our client is a highly progressive and rapidly growing finance and leasing organisation. The company presently employs over 60 people and has ambitious plans to quadruple its business and open further branches in the oext two to

In order to augment the senior management team an important new position has been created. Reporting to the Managing Director, you will be responsible for all aspects of administration, accounting and systems development.

Aged 30 to 45, you should be a qualified accountant with several years experience in accounting and admin management, ideally in a attractive benefits package includes bonus, executive car, health insurance and pension scheme. Assistance will be given with removal costs to an attractive South Midlands

similar financial service organisation. Candidates must have

strong business acumeo coupled with an ability to develop

The starting salary depends on age and experience and the

new systems in a rapidly expanding environment.

Please send full CV, which will be forwarded to our client unopened (Address to our Security Manager if listing companies to which it should not be sent).

Ref. B9548/FT.

PA Advertising

6 Highfield Road, Edgbaston, Rirmingham B15 3DJ Tel: 021-454 5791

Major Professional Firm

Finance Director

City

£60-80,000 Excellent benefits

One of the leaders in its profession, and long established, this Firm has about 500 staff and is widely respected for its high standards and innovations. Its style is totally professional, dynamic and forward looking. This Board appointment is designed to strengthen the financial control of the Firm's growth and increasingly complex operations and services.

Reporting to the Board, the Director will contribute to strategic decisions by financially evaluating options and opportunities; operational advice will also be important. There is full responsibility for financial management, Including systems development.

This high profile appointment requires a Chartered Accountant, probably with "Big Eight" experience who has wide ranging technical competence and who will enjoy working in a professional environment. A strong personality, linked to approachability and ease of manner, will facilitate excellent working relationships. Worthwhile experience outside the Profession, including close involvement in management, will be an advantage.

Salary will relate to current earnings and experience; other benefits will include profit sharing, a car and appropriate

Please reply to Barry Underwood, adviser to the Partnership, in strict confidence with details of age, career and salary progression, education and qualifications, quoting reference 5088/PT on both envelope and letter

Management Consultancy Division P.O.Box 198, Hilligate House, 26 Old Bailey, London EC4M 7PL



STAINES

c.£35,000 + car

We are one of the largest brewers in the UK, since becoming part of Elders IXL we have joined the top six brewers in the world and have become the paresetter lie the inclustry. Next mouth we move to our new Head Office in Staines and are seeking a Taxation Manager to support the Executive Director. Finance and head up the Taxation Department.

This senior appointment corries responsibility for the preparation, regotiation and settlement of corporate and other textiabilities of the Courage Group. This includes conducting regotiations with government hodies, advising on current and proposed tax legislation and recommending appropriate action.

We are booking for an experienced Chartered Accountant who has been specialising in taxathin for a number of years. This is an important appointment that will appeal to someone who regards problems as challenges and who is keen in tackle taxation issues quickly and effectively. Intellectual capacity. llexibiling and interpersonal skills are important

qualities, and the opportunities to fulfil career ambitions are excellent.

The salary will be accompanied by an excellent range of benefits including a company car.

To apply, send full cy to Arthur Ladge. Courage Lad. Anchor Terrace, Southwark Bridge, London SEI 9HS.



COURAGE

Financial Controller

c£40,000 + car + benefits

The company, a major division of one of Britain's leading industrial groups, with a current profitable turnover in excess of £50 M, sets the standards in its business area. With a group philosophy stressing the Independence of individual business groups, the company has ambitious expansion plans and clear, selfdefined objectives for the years ahead.

To assist him in attaining these objectives, the Managing Director now seeks a Financial Controller to take the company forward. As a member of the Board you will be responsible for the company's finance. accounting and related control functions. This will include assisting European subsidiaries in these areas. Aged 38-45, with an FCA or FCMA qualification and possibly an MBA degree, you will already be a Financial Controller in the manufacturing or services sector, preferably with experience of dealing with overseas companies and acquisitions. Professional and ambitious you will be seeking a career opportunity with one of Britain's leading international companies.

Salary is negotiable as indicated. Please write - in confidence - with full career details including current salary to Edward Speed/Nigel Bates FCA. ref. B.2071.

MSL International (UK) Ltd, 52 Grosvenor Gardens, London SW1W QAW.

MSL International

FINANCE DIRECTOR A FIRST CLASS OPPORTUNITY IN EUROPEAN HI-TECH

WEST OF LONDON c.E30K + CAR + BONUS A qualified and commercially astute accountant, aged 30-45 and with manufacturing experieoce, is sought by a value added manufacturer selling into the European Market.

Reporting to the Managing Director, and motivating a small team, responsibility will be for the company's effective financial control using mainframe manufacturing systems. Applicants must also demonstrate the ability to contribute to the company's commercial development through the application of strategic insight in a fast moving, pro-active covirontocot.

The company is an international leader in its market segment and is, in turn, part of a successful British owned public quoted group. Vigorous management policies, selective acquisitions and an intensive product development programme are ensuring substantial profitable

If you are interested in this first class career opportunity please write briefly enclosing a comprehensive C.V. or telephone for a personal history form to John Coostable, quoring reference 5040.



Regional Director

Financial Services Manchester Not Less Than \$40,000 Excluding Bonus, Executive Car. Banking Benefits

County NatWest, an expanding Investment Bank providing a range of merchant banking and other services to private companies and plc's seeks a Regional Director to develop further an established and successful operation.
The main product areas include
Corporate Advice (such as ecquisitions, disposals and flotations) Venture and Development Capital and Loan Business. The appointee will have responsibility for teams of professionals and for controlling and managing the office as e profit centre. Candidates aged over 35, would probably be an FCA, MBA or have a similar qualification with sound local contacts and relevant experience in emerchant bank, stockbroker or large firm of chartered eccountants. Specific experience in Venture Capital and stockmarket related work such as takeovers and USM/Full listings would be

> Career prospects are excellent and there is a realistic relocation package. R.A. Flude, Ref. M15025/FT. Male or female candidates should telephone in confidence for a Personal History Form, 061-8323500, Hoggett Bowers plc, St. James's Court, 30 Brown Street,

MANCHESTER, M22JF.

K, MISTOL, CAMBRIDGE, CARDIFF, GLASCOW, LEEDS, LONDON, MANCHESTEE, REPICASTLE, NOTTONGRAM, SPETTELD and REPUBBIR

A MEMBER OF BLUE ARROW PLC

FINANCE SYSTEMS

Baker Street c.£25,000 + car + financial sector benefits

The Financial Services Department of Abbey National Building Society, the group's centre for financial analysis and accounting, is currently endergoing a period of growth and development and increased responsibilities.

We are seeking a qualified accountant with the midiative and first-class interpersonal skills to head up a new Finance Systems Development team. The Manager, to whom initially 2 staff will report, will be responsible for driving the implementation of a member of imperions financial systems which have been identified for entire near laters. Additionally, he or she will appraise other systems for development to maximise flexibility and efficiency of reporting.

The successful applicant will have 2 years' post-qualification experience, including the use of mulatrame computer systems, gained to a large organisation. Experience of the financial sector would be an advantage but is not a prerequisite.

Career development prospects are excellent in this expanding area and the salary is accompanied by pession and profit share schemes, subsidisted BUPA, concessionary

mortgage and relocation assistance where appropriate. Please write for an application package to Bill Whitehead, Personnel Officer, Abbey

Street, Landon MW1 6XL. Tel: 01-486 5555 The closing date for completed applications, which are invited from all sections of the community, is 12 February 1988.

National Building Society, Abbey House, Baker

NATIONAL

Qualified Accountants

ACA-ACCA-ACMA

C£26,000 + Mortgage Assistance

These appointments will be based in the City with one of the largest UK based Banking & Financial Services Groups, where major developments in financial control, financial reporting, IT and systems are creating opportunities for rapid career development for ambitious and dedicated graduate

The immediate 4 vacancies will span the introduction of new budgeting, management reporting and consolidation systems, external reporting requirements for regular and special purposes, the establishment of systems for Financial Services Act compliance and capital project appraisal and monitoring. Experience in any of these areas will be a particular advantage.

Later apportunities will extend to other areas within the financial control

The Group is particularly interested in well organised self motivated individuals preferably with exposure to the banking/financial services sector gained through the profession or by direct employment.

About 2 years post qualification experience is preferred with the exception of one less senior vacancy (c £22,000 + benefits) for which experience of capital project approisal and monitoring is desirable.

Please apply in confidence qualing ref. L 352 to:

Brian H Mason. Mason & Nurse Associates, 1 Lancaster Place. Strand. London WC2E 7EB. Tel: 01-240 7805

Mason & Nurse Selection & Search

FINANCIAL CONTROLLER

CITY BASED HIGH-TEC

efits

PACKAGE TO £45K

A well established and fast expanding city based computer company requires an experienced Financial Controller to form part of its senior management team. The Company is strongly marketing and sales oriented with a successful subsidiary in

The position will report to the Group Finance Director and will have both accounts and administration departments reporting in.

Aged 28-40 the well qualified successful candidate will have had experience in computer system development and will need to be abla to work closely with the sales. technical and administrative functions in the business."

An extremely attractive base salary is offered together with profit related bonus, share option scheme and executive benefits package.

Please send C.V. in total confidence to: Derek T. Field eraction Recruit

White Hart House, London Road, Blackwater, Camberley, Surrey GU17 9AD

INTERACTION

RECRUITMENT **CONSULTANTS**

Venture Capital Executive

Rothschild Asset Management Limited is seeking to fill a senior position in one of its venture capital teams. The person appointed will not necessarily be working at present in the venture capital industry. However they should be a chartered accountant, aged up to 35, with at least three years' post-qualification experience and possess a good science-based degree.

The initial duties will involve monitoring the performance of existing unquoted investments and helping to evaluate potential new investments. The position is seen as an attractive opportunity for an outstanding candidate to enter the satisfying and rewarding venture capital industry.

The seniority of the post will be reflected in the level of the remuneration package offered which will include profit-sharing, a car, housing allowance and all banking benefits. all banking benefits.

The salary will not be a restricting factor for the right candidate. Please send a full personal history and career details, to

Andrew S May Assistant Director -- Personnel

NM Rothschild & Sons Limited New Court

St Swithin's Lane

London EC4P 4DU

Rothschild Asset Management Limited



INTERNATIONAL FUND MANAGEMENT GP.

ACA Aged 22-27 C.£20,000-£25,000 + Car + Mortgage

Our clients have a Global Investment Approach and Specialise in managing currency and bonds. As one of the leading UK specialists in this field, they have C.40% of the market.

Since 19th October 1987 their staff has actually increased by 25%! The Group Financial Controller now seeks as an assistant a bright graduate ACA with a sense of humour, high workrate and the flexibility to cope with all accounting aspects for offshore investment operations based in the Channel Islands or Europe.

In the first instance, please send your C.V. and telephone number to:-

George D. Maxwell. Accountancy Appointments Europe . 1-3 Mortimer Street, ... London WIN 7RH Tel: 01-580 7739/7695 or 01-637 5277 extn 281/282

.... # 532 €

Same of the Park



CHIEF ACCOUNTANT/COMPANY SECRETARY

We are seeking to recruit a qualified Accountant for our client, a long-established company in the grain and feed industry, based in London with offices in Northants.

Remuneration package comprises salary in the range £18-22K plus benefits, and progression to Board level in the short term is envisaged.

Full CVs, quoting Ref 6059 to TSU RECRUITMENT, 159 High Street, Toubridge, Kent TN9 1BX (Initial interviews may be arranged in London)

West of London c.£40k + car

For the European HQ of a high profile, US consumer products manufacturer which generates global sales of $\Sigma 1$ billion, much of it from the eastern hemisphere.

Responsibility is to the European Financial Director for strategic planning, budgets and forecasts and for the control and review of operating companies' performance. The role is largely "self-powered" in this assertive, market-led culture, but is expected to include giving leadership to Country Controllers and Initiating corrective action programmes as appropriate in all business functions.

Qualified Accountants probably ACAs and aged 30-40, will causined Accountains processly ACAs and aged 30-40, will be international planning experts accustomed to pragmatic corporate environment (ideally on manufacturing) where the emphasis is on achieving high levels of operational performance in the context of ambitious growth objectives. Thus vision and creativity will be allied to strengths in financial and business analysis in its broadest sense. Career development opportunities, probably into general management are unistancial. ment, are outstanding.

Applications in the first instance to: Vivien Borrie, astable Dailey Advertising & Marketing, 18 Dering Street, London W1R 0AX.

Bastable

LEADING U.S. FINANCIAL SERVICES INSTITUTION

A prestigious Wall Street Firm, actively trading worldwide, is seeking a Registered Sales Representative to market the Firm's products and services to high net worth individuals and growth institutions. The position is based in London, with frequent overseas client visits envisaged. Applicants will have a strong academic record, including an

MBA or equivalent qualification. They will also have undergone specific professional training in a leading Financial Services Firm, resulting in some exposure to investments, trading and financial products. The successful candidate will be marketing the Firm's products and services to Spanish and French clients and,

therefore, fluency in these languages as well as English is essential, together with a knowledge of the culture and business practices of those countries. Through previous work experience, or extended internships during the period of their formal education, applicants should be able to demonstrate proven marketing ability, and the potential to build up and maintain their own client base, using

discretion and sensitivity to client needs. The successful candidate will be expected to be mobile in response to the Firm's global commitments.

Good remuneration/benefits package. Applicants possessing the above qualifications and experience should write to: T.G. West, Managing Director, (Ref: 424), Associates in Advertising, Columbia House, 69 Aldwych, London WC2B 4DX.



CHIEF ACCOUNTANT

SW London

up to £25,000 + car

OUR CLIENT is a large, successful and rapidly expanding member of one of the foremost UR industrial services groups. The business is fast-moving, has a strong customer-oriented culture and a friendly team atmosphere.

THE ROLE is to manage and develop the accounting function. Reporting to the Finance Director, the Chief Accountant will lead a substantial team—about 40—in a fully computerised environment.

THE REQUIREMENT is for a vigorous qualified accountant in their late 20s to late 30s, with post-qualification experience in fast-paced and keenly commercial organisations. Knowledge of computerised systems is essential. Personal qualities required include strong intellect, a flair for motivating others and an outgoing personality Key to the job is the ability to manage a sustained workload under pressure while maintaining high standards.

THE REMUNERATION PACKAGE, including a salary of up to £25,000 plus a 2-litre car, reflect the importance of this position. Career prospects within the Group are excellent.

Please reply in complete confidence enclosing a CV and quoting reference no 174A to Nigel Wild, Director

Tanstead Associates Ltd Executive Search & Selection

West End House, 11 Hills Place, London W1R 1AG

a member of the Tanatead Professional Group

DYNAMIC GROUP ACCOUNT WEST LONDON £20,000 + car

We are looking for a young, dynamic chartered accountant, with 1 to 2 years post qualification experience, to report to our group finance director. FTC Holdings PLC is a fast growing, international marketing services group with a turnover in excess of £40 million.

This is a new post, following the recent enlargement of the group, and will initially involve monitoring and reviewing subsidiary company management accounts, and their consolidation, together with systems development and implementation. It is intended that this position will expand to cover involvement in acquisition investigation and appraisal. It is unlikely that the successful candidate will remain in this position for more than three years as the rapid expansion of the group offers many opportunities for career progression.

Please reply with full CV to: Rona Ensom, FTC Holdings PLC, Sinclair Honse, The Avenue, West Ealing, London W13 8NT

Finance Director

£30,000 package + Car

Kent

Our client is a small but fast growing and exciting organisation. The nature and style of the company's operation results in the organisation having a very high profile within its

As a direct result of achievements to date and growth plans for the future, a Finance Director is now sought to play a major part in effecting the direction of

He or she will work closely with the Managing Director and in addition to full responsibility for all accounting and reporting matters will participate in determining future commercial strategy. Applicants for this new role should

be chartered accountants' aged late

Please write or telephone enclosing full carriculum vitae quoting ref. 207 to: Philip Cartwright FCMA. 97 Jermyn Street,

Tel: 01-839 4572

20's/early 30's, who have worked

initiative to the company. Energy and enthusiasm is vital.

recently in an autonom

environment and will bring

Cartwright

FINANCIAL SELECTION AND SEARCH

BIOTECHNOLOGY EQUIPMENT MANUFACTURER

The LSL Group with manufacturing/sales subsidiaries in England, The USA, Switzerland and France specialises in the supply of high technology equipment to the International Biotechnology Market.

1987 saw the eighth successive year of substantial growth, a trend which is expected to continue and which creates a need for the following appointment based on Group H.Q. in Luton.

CHIEF GROUP ACCOUNTANT

Up to £30,000 + Car + Stock Options

An F.C.A. with practical experience in monthly consolidation of multicurrency accounts of foreign based manufacturing subsidiaries and in the budgeting, statistical analysis and cash management associated with International Group operations. With dotted line responsibility for the foreign based accounting functions, experience with both manual and computerised systems is essential and a knowledge of the French language would be an advantage. The position reports directly to the Group M.D. and affords the future opportunity of a directorship.

The group is housed in modern premises within 10 minutes of the M1 and offers good working conditions in an environment of success. Assistance with relocation will be provided. Please apply to the Group Managing Director, enclosing C.V. and details of current remuneration package, at:



SEDGEWICK ROAD, LUTON LU4 9DT TEL (0582) 597676

C. Landon

Division of major FMCG company requires ACCA or ACMA (age 32 +) to provide commercial, financial management and planning advice for Group Managing Director. The role will involve the review of divisional performance, acquisition evaluation and implementation, as well as the development of the financial and strategic planning process. Candidates will have had at least 5 years poe with an international organisation and have a good working knowledge of another European

GROUP CHIEF ACCOUNTANT

SAME CONTROL

GROUP ACCOUNTANT - CORPORATE FINANCE



Our client, a young expanding hi-tech company, highly profitable, with a turnover of c. £2m, anticipates growth of more than 50% this year. A young qualified Accountant is required to take overall responsibility for the finance function. Reporting to the Managing Director and controlling six staff, responsibilities will encompass monthly financial statements and management information, cash flow forecasting, budgeting and liaison with major suppliers, the banks and auditors.

A major international plc in the automotive industry seeks

a Chertered Accountant for a Head Office Corporate Finance role, the position having been created through internal promotion. Main responsibilities will include preparation and presentation of group reports, forecasting, planning and various ad hoc work. Additionally, there will be involvement in providing support to the Treasury. Texation and Corporate Planning Department. Applicants should currently be managers in the profession aged 27-35.

Please apply directly to Richard Cartar at Robert Half, Freepost, Roman House, Wood Street, London EC2B 2JQ. Telephone: 01-638 5191.

Financial Recruitment Specialists

Treasury Accountant

London

c.£25,000 p.a. plus car/benefits package

Our client is a multi-billion, international, U.S. owned organisation, active in many diverse fields, including oil and gas production and distribution, mining, chemicals and agri-business operations. Worldwide Foreign Exchange and Cash Management is handled by a small, highly professional team based in London. A Treasury Accountant is sought to join this team and be fully responsible for providing all the necessary FX accounting expertise and support to senior management and worldwide subsidiaries.

Key tasks include data gathering, interpretation and reporting on FX exposures and gains/losses; maintaining and developing PC-based accounting systems; and, ensuring compliance with FX accounting policies at international locations.

Candidates, professionally qualified accountants, preferably with a degree or business qualification, should have proven expenence in accounting for foreign exchange, ideally reporting to U.S. standards. A creative ability to maintain and further develop accounting systems using spreadsheet software is required, as are good interpersonal and communication skills, supported by the

initiative, perseverance and drive to operate within a progressive and innovative environment.

Career development opportunities exist within the Corporate Treasury function or in a line accounting role worldwide. Candidates who meet these technical and personal requirements are invited to apply in writing, enclosing a curriculum vitae to:-

Stephen Mawditt, Senior Management International, Search & Selection Division, Landseer House, 19 Charing Cross Road, London WC2H 0ES.



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Central London To £40,000 + Benefits

Our client, which has enjoyed a decade of growth in the provision of specialist terration and financial planning consultancy services, seeks high calibre tax personnel to join their team dedicated to the task of making the company one of the most respected domestic and international tax advisers in the UE.

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Vacancies have arisen for:

AN ASSOCIATE DIRECTOR to spearhead development of the personal tax services provided for major corporate clients and their serio: enecutives.

0 CORPORATE TAX ADVISERS who will take resumsibility for a perfoit of companies on tax planning compliance and advice on surr-ups, buy-outs, mergers and acquisitions and other Ø •

A PERSONAL TAX ADVISER to join a team of specialists working on key manager relocation service contracts, term compensation and benefits and personal tax planning.

Probably in the age range 20-40 you will be a qualified accountant. ATE, solicitor or fully trained inspector of Taxes. You will have experience in a major accountancy firm, a firm oscilicions, a comporate tax department in banking industry or commerce or you will have worked in the Inland Revenue at inspector FI level or above.

Individuals who can demonstrate a record of technical excellence personal ambition and commitment will be rewarded with a bigh base salary, company car, insurance benefits, etc. and above average long term prospects.

Contact John Gregory in the strictest confidence by telephoning him on 0508 593692 during office hours or on 0527 800577 evenings and weekends or write to him at John Courtis & Partners. The Hobbs Business Centre, 855 Silbury Boulevard, Central Milton

Management Selection and Search Search Search London, Milton Keynes, Wilmslow

leading U.S. Financial Services INSTITUTION

A prestigious Wall Street Firm, actively trading worldwide, is eking a Salesperson to cover US Treasures. US\$ Mongage Backed Secunties and derivative products (options and futures), particularly to UK and European based Japanese institutions. The position is based in London, and the successful candidate will also be responsible for devising tracing strategies for investors.

Applicants should be educated to degree level in Economics or a related discipline, and will also have undergone a period of intensive professional training in a leading financial institution. This will have been followed by a proven track record of 23 years in the Industry, with specific experience of the Mongage Backed market.

The successful applicant will combine a knowledge of the products to be covered with an understanding of and empathy with the potential clients. In order to be successful he/she will inevitably have, either been educated or trained overseas, or have spent part of their career abroad. Excellent European language skills, together with fluent English are essential.

The appointee will be expected to be mobile in response to the Firm's global commitments. Frequent foreign travel to visit clients is envisaged. Good remuneration/benefits package.

Applicants possessing the above qualifications and expenence should write to: T.G. West, Managing Director, (Ref: 425), Associates in Advertising, Columbia House, 69 Aldwych, London WC2B 4DX.



FINANCIAL DIRECTOR

required to complete a MANAGEMENT BUY OUT TEAM

The company is engaged in the computer PoS marketplace and require a finance director to complete its management team prior to effecting a buy-out from its parent company. Equity and exciting prospects for the successful candidate. Salary negotiable

Please reply to: First Independent Corporate Finance Limited Fulwood House, 12 Fulwood Place London WC1V 6HR Attn: Chris Blaxall

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GRADUATE + CHARTERED or CERTIFIED ACCOUNTANT who is:

- Persuasive
- Driving Self Motivated
- Well organised Independent

Apply Management Selection, c/o Gaia & Partnars, 166 Upper Richmond Road, London SW15 2RY Quoting Ref: 3.87 or call Micheel Stevenson 01-789-7709

MANAGER INSURANCE ACCOUNTS DEPARTMENT ATTRACTIVE PACKAGE

Harris & Dixon (Insurance Brokers) Ltd require a qualified Accountant with a good working knowledge of Lioyd's broker's operations reporting to the Finance Director/Company Secretary. The successful candidate will have experience in finencial. management and insurance accounting with particular relevance to credit control and investment, a good knowledge of computerised systems and geoeral administration.

The complete package offered is both comprehensive and flexible and will be structured to attract a proven financial executive in

Please apply in coofidence with C.V. to:-Dick Morton Consultancy 30 Merton Hall Gardens Wimbledon, SW20 8SN

Maxwell Communication Corporation plc

FINANCIAL MANAGEMENT

£20,000 — £35,000 + Benefits

Maxwell Communication Corporation plc, one of the UK's most dynamic and fastest expanding companies, is well on the way to achieving its goal of becoming a global information and communications company before the end of the decade.

The group's finance function plays a strongly pro-active role in driving the business forward and now naeds additional confident, ambitious, business-orientated accountants to help its growth. Positions available throughout the UK range from business review at group level to company and divisional finance directorships and controllerships.

Candidates should be qualified accountants agad 25-38 with strong communication and commercial skills and preferably with experience in developing computerised information systems.

Those who believe they have the ability to reach the top of a highly ambitious company should apply to D. E. SHRIBMAN who is acting as advisor to the group.

THE COMPLETE FINANCIAL SELECTION SERVICE

Vernon House, Sicilion Avenue, London WC1A 2QH. Tel: 01-831 2323

Financial Controller

South London: c £20,000 + Car and Benefits

An established international food processing and distribution organisation is about to make a considerable impact on the UK beverage market. Currently investing substantially in marketing, technology and manufacturing capacity, it is building its senior management team, which has generated the need to acquire a first class Financial Controller,

Reporting directly to the Financial Director, for whom there will be the occasional need to deputise, the Controller will manage the day-to-day running of a small department. Other responsibilities will be the preparation of budgets, management Information packages and company administration,

ideal candidates will be in their late twenties, qualified experienced Accountants from an FMCG background, having previously held e position of responsibility in a major business. As well as technical competence they will have the personality to manage e professional department and the commercial awareness to contribute to the running of the business.

If you feel you can meet this challenge and wish to take advantage of an opportunity to be part of the launch of this exciting venture then write, giving details of your career to date to: John Comish (Ref. AR. 3021) March Consulting Group, March House, 13 Park Street, Windsor, Berkshire SL4 1LU.

CONSULTING GROUP

CHIEF MANAGEMENT ACCOUNTANT

A vital role in managing change at British Gas — North Thames

to £27,000 + car + benefits and generous relocation package

British Gas North Thames is a substantial £850m tumover business within British Gas plc. Our Headquarters in Staines, Middlesex, is responsible for an area stretching from High Wycombe to Southend and taking in most of

Our oliverse range of activities and recent privatisation mean strong financial management s key to our continued profitable development. This position presents a unique opportunity for an ambitious, highly competent accountant to gain valuable experience and play a vital role in influencing the future direction of the Region. You will build and develop a team capable of providing the highest standards of support to

Senior Management at all levels. In this highly visible role, you will be responsible for providing a complete range of planning, appraisal, monitoring and reporting systems, through a 30 strong team, using the very latest technology and accounting As a qualified accountant, preferably a graduate aged 30-45, you will have a deep knowledge of budgetary control, investment appraisal and reporting techniques. Equally important you will have the ability to achieve results in a complex organisation and motivate and manage a professional team.

If you believe you have the ability and experience to take on this challenging role, please forward your application to the Regional Director of Personnel, British Gas North Thames, London Road, Staines, Middlesex TW18 4AE. Or phone Staines (0784) 61666 ext 3021 for further information.

An equal opportunity employer

British Gas' North Thames

Informal Career Counselling Evening

.... for young Accountants Developing your career logically and constructively ten't the esotest thing in the world.

Could you use a little unbissed, independent, expert advice? If you are under \$6, Qualified and society to progress your coreer, our Counselling service can help set you on the right path.

Wa are vastly experienced in career planning, Interview technique, and c.v. presentation. In addition, we are more than heppy to discuss specific opportunities in your locality and conduct confidential interviews.

Why not take advantage of this opportunity for an informal discussion, entirely without

We will be talking to Accountants like yourself, from industry, Commerce and Public Practice between 5.00 par & 9.00 par ca

Wednesday 3rd February 1988, in The Fairclough Suite at The Hollday Inn Crowne Plaza, Midland Hotel, Manchester.

For further details or to make an appointment please telephone, Mary Byrne

STARK BROOKS

ASSOCIATES LTD Accountancy Recruitment Consultants
SUITE 477-379 ST. JAMES BUILDINGS,
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Young Qualified Accountants

to £20K plus car

De ia Rue Systems have achieved excellent growth as international broder to the design and manufacture of contents and document processing systems with over 80% of output sold abroad. We now sook quarry candidates who are looking for a career move into a challenging and rewarding business environment. The opportunities are went as a key element in the continuation of our overall development strategy.

Management Accountant South Coast

Leading a small prolessional group your main responsibilities will involve the provision of financial information to senior management, analysis and reporting of monthly operating results, preparation of annual budgets and ad bot financial projects investigations.

Financial Accountant South Coast

Managing a substantial team your primary responsibilities will be to control the financial accounts function, preparing monthly and annual accounts, credit control, bought ledger accounting cash management and VAT returns.

European Accountant Madrid

You will be working closely with and reporting directly to the Conerat Manager of our extensive European Operations. With responsibility for the financial control of our major sales offices in Paris, Lishon and Madrid your duties will include the preparation of annual budgets, querterly lorecasts, cash management, stock and credit control and reporting statutory accounts. A knowledge of Spanish would be useful but is not essential.

These high profile appointments offer outstanding career prospects for those with the ability and drive in succeed. A progressive salary will be complemented by an attractive benefits packase which includes a fully expensed company car. 25 days holiday, the private health care and company pension scheme. A full relocation package will also be available where appropriate, the European assignment will involve constraint stellus.

Please write with details to: MR. P. J. BURN. Divisional Personnel Manager. De La Rue Systems Limited. Walton Road. Portsmouth. Hants PO6 1TJ. Tel. Portsmouth (0705) 383(6).



HAMPSHIRE

Senior Accountants and Auditors



How does £650 million a year sound to you? f you are looking for challenge and

Hampshire County Council For a start, the budget size of an Authority like ours - one of the country's largest - puts most commercial enterprises in the shade. An annual budget of £650m. with a capital spending programme of some £60m, is large by anyone's standard ... and demands skilful management to match. Secondly, sophisticated computer software. like our ORACLE relational database for Management Information, present wholly new opportunities and indutives.

Thirdly, recent developments like competitive tendering for various Council services. and the forthcoming delegation of Financial Budgeting to schools, demand a flexible and innovative approach

For these reasons working as a Senior Accountant or Auditor will undoubtedly offer you a high level of challenge, involvement, satisfaction and reward.

We are particularly keen to meet you if you have an established track record in any of the following areas:

Business Planning and Support Financial Systems Development and Computer Audit. Audit, especially of Health or Related Social Services. Competitive tendering.

Rewards For the level of position we have mentioned above, salaries are up to £18,400 per annum, with flexible gradings and appointments, and progression entirely according to contribution, level of work and experience. A relocation package of up to £4,500 is available, plus removals, disturbance and travel costs, with mortgage subsidy and car leasing (subject to committee approval) if appropriate.

An additional, and by no means insignificant reward, will be working in historic Winchester, itself one of the most attractive Cathedral cities in the country, surrounded by superb coastal and country scenery and offering a wealth of social and sporting opportunities.

Next move?

Your next step should be to contact the Departmental Personnel Officer, County Treasurer's Department, Hampshire County Council, The Castle, Winchester, Hampshire, S023 8UB, Telephone: Winchester (0962) 847487, for any further information you might like and an application form.

We pursue a policy of equality of opportunity. Applications are particularly welcome from people with disabilities. Closing date: 13th February 1988.

COUNTY TREASURER'S DEPARTMENT

A MEMBER OF BLUE ARROW PLC

${\it Financial\, Controller}$

Central London,

Central London,

A leading operator in the information Technology market offers a key front-line position created by significant growth in business and internal promotion of previous job holder. The successful candidate will join e strong management team and provide financial advice on strategic matters such as acquisition policy and enhance the commercial skills of the management team. This position also plays e vital role in developing and initiating improvements to existing systems. He/she will be supported by a team of 3 Accountants. The ideal candidate aged 30-40 will be qualified with a minimum of 5 years post-qualification experience, preferably from a technical products organisation of substantial size. You will have displayed sound professional expertise in day to day accounting matters coupled with the ability to edvise on strategic issues. Previous a strong, persuasive personality, the ability to work effectively under pressure, and well developed skills in teem building. Generous executive benefits and extensive

Male or female candidates should submit in confidence e comprehensive c.v. or telephone for a Personal History form to, B.E. Boylan, Accountancy Division, Hoggett Bowers plc, 1/2 Hanover Street, LONDON, WIR 9WB, 01-409 2766, quoting Ref. 839/FT.

APPOINTMENTS ADVERTISING

Appears every Wednesday and Thursday

SECTION II - COMPANIES AND MARKETS

FINANCIAL TIMES

Thursday January 28 1988



NORTH AMERICAN OIL GROUPS POST STRONG GROWTH IN PROFITABILITY

Mobil earnings up 92% to \$389m

BY OUR FINANCIAL STAFF

MOBIL, one of the largest US includes a provision of \$140m for foreign inventory write-in fourth-quarter net profits. Solutioning the trend set by Exxon earlier in the week. Net profits rose 92 per cent from \$203m or 50 cents a share to \$389m or 96 cents, reflecting the vertices, increased natural gas sakes and favourable natural gas sakes and favourable natural gas contract settlements. Refining and marketing earnings for the year, of \$180m or \$3.08 a share, against \$1.26bm or \$3.08 a share, against \$2.00 m or \$3.08 a share, however, were still down, at \$1.25bm or \$3.08 a share, against \$1.41bm or \$3.08 a share, against \$1.41bm or \$3.08 a share, against \$1.41bm or \$2.00 m or \$4.920m or \$

The 1987 net in both periods

FCA drops

below zero

Financial Corporation of America, the deeply trou-bled California savings and loan group, has reported that further large additions to loan reserves plunged the group into negative net-worth at the end of last year.

Although it expects its auditors to qualify its accounts, it expressed con-fidence, however, that with sufficient help from federal authorities it could still

over the next few years, said Mr William Popejoy, chairman. "We are talking an 'carnout' versus a government ballout."

\$302.2m a year carlier. The full-year loss was

\$468m, or \$18.29 share, against a net profit of \$95.4m, or \$2.25 a year car-

The group said the fur-ther additions were needed because commercial and

residential property mar-kets continued to deterio-rate in California and oil-producing parts of the US.

Chrysler plans

to shut Detroit

assembly plant

CHRYSLER Corporation said it would phase out pro-duction at its Kenosha, Wis-

consin, assembly and stamping plants by the end of the 1986 model year, Ben-ter reports from Detroit.

that it will continue to operate an engine plant in Ken-

Chrysler said it was clos-

ing the plant because of its age and inefficiency. The assembly plant, which has been producing cars since the early 1900s, is four

miles away from the stamping plant.

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net worth

By Our New York Staff

assets, a gain of \$89m for set-tlement of Alaskar tariff issues, a gain of \$187m on the sale of Angolan assets, and a loss of \$150m on the sale of Container Corporation.

Chevron, the San Francisco-based oil company, reported net income of \$220m or 64 cents a share in the fourth quarter and \$1.01bn or \$2.94 for 1987 as a whole. The year's profit was 41

Commodore advances by 27%

COMMODORE International, the same period of 1986 by 18 Amiga products represented 40

COMMODORE International, the US personal computer maker, reported significantly higher-than-expected earnings for its second fiscal quarter ended December 31.

Net income for the quarter was \$27.7m, or \$7 cents per share, np 27 per cent from earnings of \$21.8m, or \$6 cents as period last year.

The results to date for fiscal nearly for the same period a year ago. Income for the 1987 quarter included a tax loss carryfor-ward of \$7m, or 22 cents a share, while a shmilar benefit of \$1.8m boosted earnings in the same boosted earnings in the same period of 1986 by 18 Amiga products represented 40 per cent of total revenues," he added.

Commodore also sells home computers and IBM-compatible personal computers. The computers in the US personal computer maker. The computers in the US personal computer maker. The computers in the US personal computer maker. The computers of the Amiga 500 personal computers in the US personal computer maker. Commodore also sells home computers and IBM-compatible personal computers and in the US personal computer maker. The computers in the US personal computer maker. The computers in the US personal computer maker. Commodore also sells home quarter to total revenues," he added.

Commodore also sells home to added.

The results to date for fiscal in the US personal computer maker. Commodore also sells home quarter to set a per cent to computers and IBM-compatible personal computers in the US personal computer maker. Commodore also sells home quarter to set a per cent to computers and IBM-compatible personal computers and IBM-compatible personal computer six months ago, said Mr against \$25.5m or \$20 cents, on the computer six months ago, said Mr against \$25.5m or 80 cents, on the computer six months ago, said Mr against \$25.5m or 80 cents, on the computer six months ago, said Mr against \$25.5m or 80 cents, on the computer six months ago, said Mr against \$25.5m or 80 cents, on the computer six months ago, said Mr against \$25.5m or 80 cents, on the computer six months ago, said Mr against \$2

Strong gain for Phelps Dodge

stage a recovery. Efforts to save the group by the decision of Ford Motor's financial services division to break off talks. "We firmly believe in the company's ability to earn its way out of its problems over the part few years." PHELPS DODGE, the largest US copper producer, and Asarco, a leading silver, copper and lead

sharply higher copper prices over the past year.

Phelps's net profits for the fourth quarter ended December soared to \$105.4m or \$3.30 a share from \$10.8m or 28 cents latest quarter and year company's respectively in \$106.1m from \$206.2m.

Full-year net more than tripled to \$205.7m or \$6.48 from \$61.4m or \$1.79, on sales of \$1.61m sgainst \$845.6m;

The company's copper sales from its mines rose to \$12.700 tons and \$459,000 tons respectively in \$1.61m sgainst \$845.6m;

The profits included extraor, advanced on a record \$12.42m dinary gains, mostly from the in the quarter from \$15.1m and erument ballout."
FCA's fourth-quarter net loss was \$224.6m, or \$6.25 a share, against a net profit of \$23.1m, or 56 cents, a year earlier. Additions to reserves in the period totalled \$236.5m against \$232.2m a year earlier.

dinary gains, mostly from the in the quarter from \$15.1m and loss carryforwards, of \$19.1m to \$224.2m from \$68.8m in the quarter and \$55.1m against \$19.8m in the full year.

**The profits included extraor advanced to a record \$124.3m in the quarter from \$15.1m and to \$224.2m from \$68.8m in the quarter and \$55.1m against \$19.8m in the full year.

producer, have reported a big quarter and year respectively, jump in profits, thanks to compared with 69.4 cents and sharply higher copper prices 61.6 in the previous periods.

New York spot prices for copper cathodes averaged \$1.05 and 77.8 cents in the latest quarter and year respectively, and \$14.7m respectively the year before.

> Meanwhile, Asarco lifted fourth-quarter profits of \$70.3m or \$1.61 a share, against \$28.2m or 77 cents a year earlier, on revenoes up aharply from \$254.9m to \$429.9m.

For the year, net profits rose from just \$9.1m to \$279.3m or \$7.34 a share, while revenues rose \$1.06bn to \$1.36bn. However the latest vear includes pre-tax profits of \$243m from the public sale of shares of MIM, the Australian mining group, and Asarco Australia, ing and special chemical and a tax credit of \$71m.

Baxter Travenol jumps 60%

Net income for the fourth uted \$321m. "We have also worked he quarter included a \$8m gain The fastest growing segment to improve our cost struct from disposals, while income from continuing operations last three months, as in the full our success is contributing came to \$90m, up by 45 per year, was so-called alternate improved earnings", he said.

BAXTER TRAVENOL, the leading US hospital supplies and equipment group, yesterday amounced a 60 per cent rise in net income for the last quarter of 1987 to \$98m or 34 cents a share from \$61m or 20 cents a share in the equivalent period of 1986.

Sales during the period rose 11 per cent to \$1.64bn from \$1.48bn.

Net income for the fourth cent fourth cent from the aame period a site items — medical prodocts used outside hospitals — sales of which rose 21 per cent in the full year from continuing operations at \$322m or \$1.10 a contains against \$192m or 63 cents on sales of \$6.2bn, against \$192m or 63 cents on the company's strong performance reflected an improvemance reflected an improvemance reflected an improvemance in the US hospital market as well as better penetration by Travenol of that market.

We have also worked hard

uted \$321m.

The fastest growing segment of Travenol's business in the last three months, as in the full our success is contributing to

Philip Morris earnings surge

Chrysler obtained the plant as part of its acquisi-tion last year of American Motors Corp. Chrysler said in October that the acquisi-tion had resulted in excess plant capacity, and said it would have to close at least one assembly plant. Chrysier said, however, PHILIP MORRIS Companies, the diversified cigarettes, food and beverage, and finance group, yesterday reported charply higher net carnings for the oaks.

The closure of the plants will mean the loss of 5,500

fourth quarter and year.
The company's net earnings jumped 28.8 per cent for the three months ended December 31 to \$478m or \$2.02 a share compared with \$371m or \$1.56

Revenues totalled \$7.1bn in income from operations during the fourth quarter, an increase of 7.8 per cent over the \$6.6bn

of 7.3 per cent over the 56.60n reported in the last three months of 1986.

For the full year, the revenues were np 9 per cent at \$27.67bn after \$25.41bn a year

Hereauer income from Marlboro, the world's larg-31 to \$478m or \$2.02 a share compared with \$371m or \$1.56 exactly in line with analysts' spear earlier.

The results were almost exactly in line with analysts' spear duc to the expectations and the company's inclusion of a charge related to the restriction of the compared with \$1.50m or \$7.75 a share, compared with \$1.50m or \$7.75 a share, compared with \$1.50m or \$6.20.

UK automated dealing 'will halve costs'

THE RULES for running new automated dealing systems, which will allow small investors to buy and sell shares at a fraction of the present cost by allowing bargains to be struck entirely by computers, were published yesterday by the London Stock Exchange.

The automatic execution facility, known as SAEF, which is scheduled to come into use in November or December, is also to be linked up with the Stock Exchange's checking and computerised extrements ever an Tallament settlements system, Talisman.

Originally, the intention was initially to provide a dealing-only ayatem. The decision now to allow tha details of all bargains to be input directly into Talisman will delay the introduction of

the system by several months but will add substantially to the cost savings.

As a result, the administrative costs to a broking and market-making firm of striking and settling a bargain could fall from around \$35 now to \$15-\$20.

SAEF will allow a broker to tap into a computer terminal a buy or sell order for his client. SAEF will then check which of the market-making firms are offering the best

which of the market-making firms ara offering the best price, picks one and carries out the deal with that firm without its knowledge or intervention.

The system will work only for small orders up to a maximum of 1,000 shares. Broking firms will not be allowed to split larger orders into 1,000-share lots. Initially only a

limited range of the most actively traded corporate stocks will be included in SAEF, but the number will

SAEF, but the number will gradually be increased.

The most sensitive decision taken by the Stock Exchange council has been to require all market-making firms to participate in SAEF. However, firms will be able to limit their exposure by setting a threshold of the maximum number of purchases minus sales which it is prepared to accept. Once this threshold has been reached, the firm will be automatically alerted and allowed to withdraw its price quotation from the system for up to three minutes—and change it.

Orders through SAEF will be rotsted automatically between all the market-mak-

ing firms offering the best price. But a broker may spec-ify which firm should be given the order, if it is among those offering the best price.
Investors will not be
allowed to input their orders
directly into SAEF, for example by using an identification
number, through a terminal
in a bank. Nor will brokers be
allowed to input orders for allowed to input orders for their own account rather than for clients.

for clients.

The system will operate only during the mandstory quotation period each weekday, which starts at 9am. It will be sutomatically suspended during fast market periods, when share prices are particularly volstile, and when the computers are failing to update prices immediately.

AT&T lifts profit to \$2bn after write-offs

By Roderick Oram in New York

AMERICAN Telephone & Telegraph, the dominant US long-distance carrior, has reported a rebound in profits, partly reflecting stringent cost-catting measures and \$3.2bn of write-offs taken in 1986.

Full-wear net was \$2.64bn.

taken in 1986.
Full-year net was \$2.04hn, or \$1.88 a share, against \$189m, or 5 cents, after the \$8.2bn write-offs which had cut net profits by \$1.7hn. Net profits for the fourth quarter ended December were \$498m, or 48 cents a share, against a net loss of \$1.17bn, or \$1.11, a year earlier. Revenues rose to a quarterly record of \$6.5bn from \$8.55bn.

Ravenues aliqued to

Ravennes slipped to \$33.6bn from \$34.09bn, reflecting the forecast decline of telephone equipment rentals, particularly among business neers.

Mr James Olson, chairman, said 1987 was "an excellent year financially, our best since divestiture. It was, I believe, a breakthrough year." Mr Olson attributed the improvement to strong long-distance rev-ennes and a reduction of costs by more than \$1bn last year thanks to the 1986

Long-distance volumee increased by about 8 per cent, offset by a 16 per cent cut in charges, taking to 36 per cent the decline in tariffs since AT&T was split off from the regional telephone companies in 1984.

Gross margins on eervices, accounting for \$5.04bn of revenues against \$4.8bn a year earlier, increased to 55.3 per cent from 53.1 per cent.

Product sales increased only slightly, bowever, to \$2.7bn from \$2.67bn, with sales of switching systems, microelectronics and con-sumer products rising and those of transmission equipment falling.

Edelman details Foster Wheeler cash proposals

FOSTER WHEELER has finally received a proposal for a recapitalisation or takeover from Mr Asher Edelman, the New York investor who began building up a stake in the plant design and construction group last autumn.

On behalf of a group of share-holders owning 11.5 per cent of the New Jersey-based company, Mr Edelman said he wanted to help formulate a recapitalisa-tion to enable the company to make a large special payout of cash and securities.

Alternatively, Mr Edelman auggested a takeover of Foster Wheeler at \$16.50 a share in

cash, valuing the company at company would review Mr about \$570m. its shares rose Edelman's proposals it has \$14%, indicating Waii already announced plans to sell certain property assets and use Edelman.

Street's scepticism about Mr
Edelman.
His track record as a raider
has been very mixed with a
number of notable defeats balanced against some successes.
The company's sbare price
fell about 40 per cent in the
October crash, making a takeover much easier. Mr Edelman
and the other investors bought
some of their ehares before the
crash so they may be slitting on
devalorment and finance about crash so they may be sitting on unrealised losses.

cent), energy equipment (10 per cent), other industrial activities (30 per cent) and real estate development and finance about unrealised losses. (25 per cent). Foreign Mr Louis Azzato, Foster operations account for about Wheeler chairman, said the half the turnover.

CIBC to buy 65% of broker

BY DAVID OWEN IN TORONTO

CANADIAN IMPERIAL Bank of offering, Gundy's final loss on common chares after three Commerce (CIBC), the counthe deal, before tax, totalled years.

On a fully diluted basis, CIBC Commerce (CIBC), the country's second largest chartered bank, has agreed to buy a 65 per cent stake in Wood Gundy, the accident-prone Toronto investment dealer, in a cash

and share transaction valued at C&190m (US\$148m).

The move comes less than a month after Gundy'e proposed C\$270m sale of a 35 per cent etake to the US bank, First Chicago, colleged in the Table of cago, collapsed in the wake of further 24m Gundy treasury the broker's large loss related shares for some C\$80m, while to the BP share issue. As lead Gundy ahareholders will be underwriter of the 105m-share issued 10.8m new class A months is concerned," Canadian tranche of the BP Gundy shares, convertible into

Under the terms of the latest transaction, CIBC will acquire from Gundy employees 50 per cent of the firm's 10.8m outcent of the firm's 10.8m out-etanding common shares for approximately C\$110m. At least 75 per cent of the total will be paid in CIBC common shares, the balance in cash. In addition, CIBC will buy a further 24m Gundy treasury shares for some C\$80m, while Condy shareholders will be

will then own approximately 65 per cent of Gundy common shares and will have the right to boost its stake to 75 per cent

at any time.
Mr Ted Medland, the company's retiring chairman, said that he expected "very little disruption to either our employ-ees or our clients as the new relationship comes into effect."
"I'm happy just to be in one piece as far as the last three

Santa Fe approves \$4.7bn dividend

BY OUR FINANCIAL STAFF

SANTA FE Sonthern Pacific, of the company's board. the Chicago-based railway and industrial group, said its board approved a \$4.7bn payont to cent etakeholder Olympla & shareholders in the form of a special dividend of \$30 per share.

Santa Fe said it intended to finance the payont, composed to

special dividend of \$30 per share.

Mr Robert Krebs, president, finance the payout, composed said the payout was a major of \$25 in cash and \$5 in debt part of the company's restructuring programme, announced least month when the company ended talks with the Henley and Security Pacific Transportationed a proxy fight for control Southern Pacific Transportation.

tion to Rio Grande Industries. The cash dividend will be paid, subject to certain financ ing conditions, on February 16 to all stockholders of record on February 5. The senior subordi-nated debentures will be paid

on March 1. Mr Krebs said he believed the company had "good potential for future growth." He noted however, that annual dividends will have to be cut from \$1 a share to 10 cents to reduce the

Republic National Bank of New York

A subsidiary of REPUBLIC NEW YORK CORPORATION **Consolidated Statement of Condition**

Liabilities and Stockholder's Equity December 31 December 31 1986 1987 1986 1987 Non-interest bearing deposits: In domestic offices In foreign offices Cash and due from banks Interest bearing deposits \$ 251,289 634,726 125,379 657,015 104,748 \$ 404,957 7,920,973 Interest bearing deposits: In domestic offices In loreign offices with banks Precious metals 6,350,027 2,915 3,095,098 155,511 3,322,254 3,582,772 5,721,418 4,261,657 investment securities 7,755,410 rading account assets 12,777,172 667,095 2,406,282 11,065,954 1,147,254 2,015,544 Total deposits Short-term borrowings Federal funds sold Acceptances outstanding Accrued interest payable Other liabilities and securities purchased under resale agreements 145,160 330,602 904,398 479,983 85,785 Long-term debt Stockholder's Equity: coans, net of unearned Cumulative preferred stock, \$100 par value: 1,000,000 3,747,944 3.903,702 income Allowance for possible loan losses 100,000 (217,588)(101,406) shares outstanding Common stock, \$100 par 3,530,356 3,802,296 Loans (net) value: 4.800,000 shares 355,000 845,000 381,189 355,000 Customers' liability on shares outstanding 845,000 309,387 2,006,146 282,440 219,233 Surplus Retained earnings acceptances
Premises and equipment
Accrued interest receivable 2,396,265 337,718 243,183 1,581,189 Total stockholder's equity 1,609,387 301,626 214,324 Total liabilities and stockholder's equity \$18,840,096 \$18,840,096 \$16,813,528 Total assets \$18,813,528 Letters of credit outstanding \$ 1,164,263 \$ 918,082 The portion of the investment in precious metals not hedged by forward sales was \$6.9 million and \$5.0 million in 1967 and 1986, respectively. REPUBLIC NEW YORK CORPORATION Summary of Results (In Thousands Except Per Share Data) Twelve Months Ended Three Months Ended December 31, December 31, 1986 1987" 1987 \$ 22,059 \$148,492 Income before extraordinary item \$ 33,041 \$ 34,985

> \$ 4.44 \$ 1.12 27,497 29,625 *Results reflect a special provision for loan losses of \$110 million and losses of approximately \$84 million on marking to market or sales of certain outstandings in lesser developed countries. Fifth Avenue at 40th Street, New York, New York 10018
> (20 offices in Manheitan, Briste, Brooklyn, Queena, Westcheet & Rockland County)
>
> Member Federal Reserve System/Member Federal Depost Returne Corporation
>
> Beverly Hills - Beintz - Buenzs Aree - Caracas - Caymen Islands - Gibralter - Guernsey - Hon
>
> London - Los Angeles - Lucianobourg - Modeco City - Marin - Millian - Montevaler - Montevaler - Montevaler - Britanos - City - Paris - Purita Del Seise - Pito de Jameiro - Santiago - Sao Paulo - Singapore - 1

> > Series 058

US\$39,200,000 Short-term Guaranteed Notes issued in Series under a US\$280,000,000 Note Purchase Facility

Net income Cash dividends declared on common stock

Income before extraordinary from

Cash dividends declared

Per common share:

Mount Isa Mines (Coal Finance) Limited

Notice is hereby given that the above Series of Notes issued under a production Loan and Credit Agreement dated 20th March, 1983, carry an Interest Rate of 74% per annum. The Issue Date of the above Series of Notes is 29th January, 1988, and the Maturity Date will be 29th July, 1988. The Euro-clear reference numbers for this Series is 73508 and the CEDEL reference number is 972665.

Manufacturers Hanover Limited

U.S. \$300,000,000

\$ 22,059 \$ 8,661

.57 .57 .29

29.865

1.15 .28

27,938



Woodside Financial Services Ltd. (Incorporated in the State of Victoria)

Guaranteed Floating Rate Notes due July 1997 Unconditionally Guaranteed by Australian Industry Development Corporation

In accordance with the Terms and Conditions of the Notes, notice is hereby given, that for the Interest Period from January 29, 1988 to April 28, 1988 the Notes will carry an interest Rate of 71/4% per annum. The amount payable on April 28, 1986 will be U.S. \$4,502.60 and U.S. \$180.10 respectively for Notes in denominations of U.S. \$250,000 and U.S. \$10,000.

By: The Chase Manhattan Bank, N.A. London, Agent Bank January 28, 1968



This announcement is neither an offer to buy nor a solicitation of an offer to sell these securities.

The Offer is made solely by the Offer to Purchase and the related Letter of Transmittal and is not being made to, and tenders will not be accepted from, holders in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction.

NOTICE OF OFFER

AMERICAN MEDICAL INTERNATIONAL N.V.

To Purchase for Cash its

Zero Coupon Guaranteed Bonds Due August 12, 1997

at U.S. \$332.93 net per U.S. \$1,000 bond,

Zero Coupon Guaranteed Bonds Due August 12, 2002 at U.S. \$191.03 net per U.S. \$1,000 bond.

The purchase prices stated above are equivalent to the accreted value of the Boods on March 4, 1988, plus a premium of 1442% on the 1997 Bonds and a premium of 1542% on the 2002 Bonds. If Bonds are accepted for purchase, payment will be made on or about March 4, 1988.

Bonds will be accepted for purchase only if they have been voted in favor of certain Indenture amendments to be considered at Bondholders meetings noticed for February 11, 1988 or any adjournments thereof [the "Meetings"). The Offer is conditioned on approval of the Indentures amendments of both Indentures. The Deposit Certificate distributed in connection with the Meetings includes a proxy to vote tendered Bonds in favor of the proposed amendments, to the case of each issue, such amendments may be approved by the lesser of (a la majority in principal amount of Bonds outstanding, or (h) 75% of the principal amount of Bonds represented and voting at a meeting at which a quorum is present. If a quorum is not present, the Indentures provide that adjourned meetings may be field (upon published notice) at which the quorum required would be 25% in principal amount of the Bonds.

If the Indentures for both issues are amendments will be accepted for purchase.

THE OFFER WILL EXPIRE AT THE CLOSE OF BUSINESS ON

FEBRUARY 11, 1988 UNLESS EXTENDED. TENDERS WILL BE IRREVOCABLE EXCEPT THAT AFTER MARCH 30, 1988, BONDS TENDERED AND NOT ACCEPTED FOR PURCHASE AND PAYMENT PRIOR TO THAT DATE MAY BE WITHDRAWN WHETHER OR NOT THE OFFER THEN REMAINS OPEN.

Bonds may be tendered without physical delivery if such delivery is guaranteed by a bank (including the Depositary), banker, trust company, or member of the New York, London or other recognized stock exchange, on the Guarantee of Delivery form included in the Latter of Transmittal, subject to the conditions stated therein.

The Company will pay a solicitation fee of U.S. \$1 per U.S. \$1,000 Bond for each Bond purchased pursuant to the Offer which is tendered by or forwarded through a bank, banker, trust company, or member of the New York, London or other recognized stock exchange.

Copies of the Offer, the Deposit Certificate and the Letter of Transmittal way be obtained from any of the following:

DEPOSITARY OFFICES

Banque loternationale a Luxembourg S.A. 2, Boulevard Royal

Luxembourg, Luxembourg

NOTICE OF MEETINGS

AMERICAN MEDICAL INTERNATIONAL N.V.

Zero Coupon Guaranteed Bonds Due August 12, 1997 Zero Coupon Guaranteed Bonds Due August 12, 2002

NOTICE IS HEREBY GIVEN that meetings (the "Meetings") of the holders of the Zero Coupon Guaranteed Bonds Due August 12, 1997 and the Zero Coupon Guaranteed Bonds Due August 12, 2002 [the "Bonds") of American Medical International N.V. (the "Issuer") have been called by the Issuer. The Meetings will be held at Morgan Guaranty Trust Company of New York, The Conference Centre, 3rd floor, 1 Angel Court, London EC2R 7AE, London, England on Thursday, February 11, 1988 at the bour of 2:00 o clock in the afternoon, London time. The Issuer has announced that it

proposes to make an offer to purchase the Bonds.

At the Meetings, Bondholders will be asked to approve amendments (the "Amendments") to the lodentures, dated as of August 12, 1982 (the "lodentures"), among the Issuer, American Medical International, Inc., as guarantor (the "Guarantor"), and Morgan Guaranty Trust Company of New York, as Trustee (the "Trustee"), pursuant to which the Bonds were issued. Such Amendments will eliminate Sections 4.06 through 4.11 of the Indentures, which contain the financial expensions of the Issuer and the Guarantee.

Antendments will climinate Sections 4.00 through 4.11 of the Indentures, which contain the financial covenants of the Issuer and the Guarantor.

In accordance with the provisions of the Indentures, the resolutions to be submitted to the Meetings, in order to be effective with respect to each issue of the Bonds, must be approved or decided by persons entitled to vote the lesser of (1) a majority in principal amount of each issue of the Bonds at the time outstanding or (ii) 75% in principal amount of each issue of the Bonds represented and voting at each Meeting, provided that a quorum is present. The persons cotilled to vote a majority in principal amount of each issue of the Bonds outstanding shall constitute a quorum. In the absence of a quorum, the Meetings shall be adjourned until February 23, 1988 at which time the persons cotilled to vote 25% in principal amount of each issue of the Bonds at the time outstanding shall constitute a quorum.

which time the persons cottiled to vote 25% in principal amount of each issue of the Bonds at the time outstanding shall constitute a quorum.

In order to be entitled to vote at the Meetings or adjournments thereof a person must either be a holder of one or more Bonds or a person appointed by an instrument in writing as proxy by the bolder of one or more Bonds deposited at any of the offices referred to below ("Depositary Offices") no later than one business day prior to the Meetings or such adjournments or deposited with the Chairman of the Meeting at any time prior to the Meetings or such adjournments. The bolding of Bonds shall be proved by production at the Meetings or such adjournments of Bonds or of a dated deposit certificate executed by a bank (including the Trustee), banker, trust company or member of the New York, London or other recognized stock exchange certifying that on such date Bonds bearing specified identification numbers were deposited with or exhibited to such bank, banker, trust company, or stock exchange member. The signatore on any proxy deposited as aforesaid must be witnessed or guaranteed by a bank (including the Trustee), banker, trust company or member of the New York, London or other recognized stock exchange.

Copies of the proposed first supplemental indentures setting forth the Amendments are available for inspection during normal business hours at, or can be obtained on application to, any of the Depositary Offices. Forms of proxies and deposit certificates appropriate for use at Meetings or adjournments thereof together with instructions for voting by Boodholders at the Meetings or adjournments thereof together with instructions for voting by Boodholders at the Meetings or

DEPOSITARY OFFICES

Banque Internationale a Luxembourg S.A. 2, Boulevard Royal Luxembourg, Luxembourg

Morgan Guaranty Trust Company of New York

30 West Broadwsy New York, New York U.S.A. 10015

Morgan Guaranty Trust Company of New York Morgan House, 1 Angel Court London ECZR 7AE England

Morgan Guaranty Trust Company of New York

Avenue des Arts 35 1040 Brussels, Belgium

Dated: January 22, 1988

Morgan Guaranty Trust Company of New York 14. Place Vendome

Morgan Bank Nederland N.V.

Swiss Bank Corporation

Gartenstrasse 9 CH-4002 Basle

AMERICAN MEDICAL INTERNATIONAL N.V.

bid for

cash-box

company

By Chris Sherwell in Sydney

By Chris Sherwell in Sydney

TNT, the Australian intermational transport group
controlled by Sir Peter
Abeles, yesterday launched
a A\$170m (US\$121.6m) bid
for Cumberland Credit, a
"cash-box" company whose
ownership was thrown spen
when Mr Larry Adler, the
entrepreneur, sold hic 20
per cent stake earlier this
month.

TNT annonaced its 33
cents a share bid after
declaring yesterday it had
raised its etake in Camberland from 16.1 per cent to
20 per cent. That followed
purchases last week to
increase its previous holding from 13 per cent.

Camberland became an
object of attention as soon
as Mr Adler, through his
FAI Insurances, unexpectedly sold his holding to Coronet Equities for A\$1 per
share - well shove the market price of 65 cents. Coronet is controlled by Mr Ias
Joye, an Anstralian accounterned entrepreneur.

Joye, an Anstralian accoun-tant turned entrepreneur.

tant turned entrepreneur.
Equitilink, the investment group, immediately dispoced of its 5 per cent stake, as did Equiticorp Holdings, which held 12 per cent. The heavy trading in Cumberland shares brought in Mr Solomon Lew, another entrepreneur, and set the scene for a classic tra-of-war for control for

INTERNATIONAL COMPANIES AND FINANCE TNT in

Rival offer for Colly Farms

BY CHRIS SHERWELL AND GORDON CRAMB

A BRITISH agricultural group day, however, Colly advised its the Australian cotton industry, shareholders to take advantage the Sydney businessman, by lamnching a rival bid for Colly Farms Cotton, a leading Australian cotton producer.

day, however, Colly advised its the Australian cotton industry, within which Colly ranks second. Although only a small producer in global terms, the country is one of the world's most efficient producers.

described as a substantial placing of its own new shares.

Its ownership is spread among a number of leading British institutions, and AAA intends to seek a full London listing within the next year after previous plans were abandoned in the wake of the October market collapse.

doned in the wake of the October market collapse. Its interest in Colly is through Mr John Campbell, a director of both AAA and Colly. He is a close friend of the Shaw family, which has a 33 per cent stake in Colly, and strongly believes in the long-term future of Australian cotton.

Colly had net profits of A\$4.7m in its latest year, on sales of A\$26m, while pre-tax earnings of AAA were \$277,615 on turnover of \$1m.

Investments lift Sanyo Electric profits

SANYO ELECTRIC, the Japs- Electric as well as falling ness consumer electronics export income. Investments maker, managed a 5.9 per cent thus provided all the exmings improvement in pre-tax profits for the year - the company said for its latest year in spite of a lt had Y21.70bn in income from near-doubling in its operating investments and Y25.86bn from loss as it restructured its the sale of securities.

Tapid appreciation and growing competition will heat competition from newly industrials competition from newly industrials and trade friction. Sanyo is planning to spend year-doubling in its operating investments and Y25.86bn from loss as it restructured its the sale of securities.

Parent company earnings before tax were Y16.06bn against Y12.90bn, but on a per-share basis were down at Y8.20 November compared with Y11.25 because Y15.16bn Samuel St. 100 and 100 a

At the operating level the Sales rose to Y909.39bn from deficit widened to Y5.49bn Y838.84bn. This was despite a from Y2.81bn. This arose from 19.1 per cent fall in exports to the merger with Tokyo Sanyo Y332.48bn due to the yen's

Exports, from their current ievel of 36.6 per cent of all business, are expected to account for a less than onethird share in the current year. As recently as three years ago this ratio was the reverse.

A return to the black at the operating stage is expected for 1988, with profits of some Y4bn. Pre-tax profits are foreset to improve further to

eDalkin Industries, a leadeDalkin Industries, a leading maker of commercial air conditioners, boosted pre-tax profits by just over a third in its year to November, to reach Y12.16bn compared with Y9.84bn. Sales at Y225.27bn

were np 5.8 per cent.
Exports accounted for 12.6
per cent of total sales, down
from 13.8 per cent because of
the strong yen. South-East Asia Cast to improve further to Y25hn as sales grow to Y950hn. Company officials said they expect domestic demand to remain strong as a result of 40 per cent of these, followed economic growth but added by Europe with 23 per cent.

scene for a classic tng-of-war for control for the company's cash and investments.

Mr Adler has been criti-cised by some for selling his stake in Cumberland, princi-pally because his presence and his reputation as a shrewd investor had helped the original A\$200m flotstion of Cumberland to suc-ceeed. But Mr Adler has defended his move.

As part of their deal, Mr Adler and Mr Joyc agreed to put and call arrange-ments which would allow Coronet to build its stake in Cumberland to around 36 per cent by exercising options which PAI holds over some 50m unissued Camberland shares.

Mr Adler resigned as Com-berland's chairman and was replaced by Mr Joye, Mr Joye must now decide whether to launch a count-er-bid, sit on his shareholding, or sell out at a loss.

Farms Cotton, a leading Ansaralian cotton producer. Anglo American Agriculture, a UK company which yesterday increased its stake in Colly from 11 per cent to 16.5 per cent, offered A\$2.10 per share for the remainder, valuing the Anstralian company at in pwards of A\$76m (US\$54.4m). This is well above the A\$67m value put on Mr Packer's offer. Last month he bid A\$1.86 per share, a figure which exceeds net asset backing and had the qualified emiorsethe qualified emiorsethe outcome is important for Stand to the chose to sell out the chose the cho

November compared with Compared with 111,25 because of an increased number of advance to strong domestic demand, improvements in overseas sales networks and expanded production offshore, especially in Europe and the US. ded production offshore, espe-cially in Europe and the US.

after-tax income for the six months to December.

The interim disclosed profit rose to R6.5m (\$3.3m) com-pared with R5m in the corre-sponding period of 1986 and R13m for the full year to last

BY OUR FINANCIAL STAFF

First-half advance by

Rand Merchant Bank

MERCHANT Bank transfers to and from reserves

RAND MERCHANT Hank transfers to and from reserves (RMB), the privstely-owned and to conceal tax payments. South African banking comThe directors say the corporate pany, has reported a 30 per finance division benefited subcent increase in disclosed stantially from the divestment after-tax income for the six of foreign companies.

They add that advances were

RMB takes advantage of from 30.5 cents and against secrecy provisions of the Banks 814 cents for the whole of the Act which allow it to hide last year.

Peko-Wallsend up 44%

PEKO-WALLSEND, the Australian mining group which last month accepted a A\$1bn (US\$715.3m) merger offer from against credits of A\$7.23m, and excluded extraordinary profits of A\$10m, up from A\$1.94m.

North Broken Hill Holdings, yesterday produced a 44.4 per cent jump in interim net profits to A\$46.88m.

It is lifting the dividend for the first half to last December to 11 cents from 10 cents after a performance which it attributed mainly to results from its majority-owned Robe River iron ore operation and its Simsmetal scrap business.

The North Broken Hill bid, although agreed, may yet be disrupted by the intervention of Sir Ron Brierley's Industrial Equity (IEL), which raised its stake in Pelso to 16.8 per cent in the middle of this month.

Canadian Banking and Finance Survey

THE PROFIT and loss position table in the above survey of Canada's six biggest banks (December 21 1987). The corwas incorrectly stated in a rect figures are below.

Canada's six biggest banks^c

They add that advances rose to R799m at the end of Decem-

ber from R272m a year earlier because of substantial advances

to a number of large institu-

Interim net earnings

Eugene Cafiero to head Ariadne Australia

BY OUR FINANCIAL STAFF

ARIADNE AUSTRALIA, Mr Bruce Judge's troubled invest-ment company, yesterday appointed to the post of chief executive Mr Eugene Cafiero, who is president of KDL the US industrial company controlled

Mr Judge, who agreed to decrease his involvement after Arisdne was hit hard in the October stock market collapse, said yesterday he would also "step saide as chairman sometime in mid-February" but wouldremain a non-executive director of Ariadne.

Ariadne said Mr Cafiero, a former Chrysler executive, had designed and led a restructur-ing programme at KDI which "refocused KDI's business lines and increased the corporation's profitability. He retains his position there and will split his time between the US and Aus-

Mr Donald Lifton, a US corporate lawyer, was named deputy managing director of Ariadne. Another US figure on the board is Mr William Simon, the former



Associates Financial Corporation Limited

a subsidiary of

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has acquired

Canada Permanent Funding Limited

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The undersigned initiated the transaction and acted as financial advisers to Associates Financial Corporation Limited.



ORION ROYAL BANK LIMITED

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December 1987

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Dated: January 22, 1988

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U.S.\$200,000,000 Guaranteed Floating Rate Notes due 1995 Convertible until January 1988 into 91/2% Guaranteed Bonds due 1995

Notice is hereby given that the Rate of Interest for the Interest Period from 29th January, 1988 to 29th July, 1988 is 7.5625 per cent. per annum and that on 29th July, 1988 the amount of interest payable in respect of each U.S.\$5,000 principal amount of the Notes will be U.S.\$191.16 and in respect of each U.S.\$10,000 principal amount of the Notes will be U.S.\$382.33.

Barclays de Zocte Wedd Limited 28th January, 1988 Agent Bank

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OF NEW YORK, Trustee

MORGAN GUARANTY TRUST COMPANY

U.S. \$200,000,000

Floating Rate Subordinated Notes due 2000

in accordance with the is hereby given that for the laterast period 28th January, 1988 to 29th February, 1988

Rate of 71/16% per annum. interest payable on the relevant interest payment date 29th interest payment date 29th February, 1988 will amount to US\$62.78 per US\$19,000 Note and US\$313.90 per US\$50,000

Agent Bank! Morgan Guaranty Trust Company of New York London

U.S. \$100,000,000 Allied Irish Banks Pic (Incorporated with Numberl Robilly in the Republic of Heland woder the Companies Acts., 1963 to 1986) Subordinated Primary Capital Perpetual Floating Rate Notes

In accordance with the provisions of the Notes, notice to heavy given, that for the three months interest Period from Jenuary 28, 1988 to April 28, 1988 to Notes will carry an interest payeble of 74% per amunt. The interest payeble on the relevant interest payment date April 28, 1988 against Coupon No. 11 will be U.S. \$4,818.58 readedly for Notes in denominations. respectively for Notes in denominations of U.S. \$10,000 and U.S. \$250,000. The sum of U.S. \$10,000 and U.S. \$250,000. The sum of U.S. \$10,000 and U.S. \$250,000. The sum of U.S. \$10,000 and U.S. \$250,000 and U.S. \$10,000 and U.S By: The Chane Manhattan Back, M.A. Luceton, Agent Bank O

January 28, 1988



TUBOS DE ACERO DE MEXICO, S.A.

US \$85,000,000 Floating Rate Notes due 1989

in accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the period from 29th January, 1968 to 29th July, 1988 has been established at 91/2 per cent. per annum.

The interest payment date will be 29th July, 1988. Payment which will amount to US \$1,200.69 per US \$25,000 Note and US \$240.14 per US \$5,000 Note, will be made against the relative coupon.

Bank of America International Limited



Die Erste österreichische Spar-Casse-Bank 4 Established on Austria with Control buildigt in 1414;

US\$50,000,000

Subordinated Floating Rate Notes Due January 1992

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Royal Bank of Canada (258.7)
Canadian Imperial Bank
of Commerce (83.2)
Bank of Montreal (352.4)
Bank of Nova Scotia (312.0)
Tocomin Develope Bank Morgan Guztanty Trust Company of New York 14. Place Vendome 75001 Paris, France Toronto Dominion Benk National Bank Morgan Bank Nederland N.V. Besselschadestraat 12 1054 ET Amsterdam, The Netherlands "Earnings for year to Oc Losess in brackets Swise Bank Corporation value on 22/1 Ciowith rund

Weekly net asset America was US 19.73 Listed on the Amsterdam Stock Exchange

Weekly net asset value was U\$ 155.59

1987 net income Before 1986 net Total after provision (CSm) - (CSm) (CSm) (CSm)

488.9

341.2 353.0 338.2 402.6

102.2

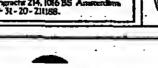
541.3

386.8 412.6

Tokyo Pacific Holdings (Seaboard) N.X. Listed on the Amsterdam Stock Exchange

Pierson, Heldring & Pierson N.V. Herengach: 214, 1016 BS America Tel. + 31 - 20 - 20188. Pierson, Heldring & Pierson NV. Herengracia 214, 1016 BS Assessen Tel. + 31 - 20 - 211158.







Paul Betts examines the French state-owned oil group's feverish burst of takeover activity

Elf-Aquitaine nurtures big drug ambitions for Sanofi

FROM HIS office at the top of the Elf tower – the tallest sky-scraper in the Parls modern business district of La Defence – Mr Michel Pecqueur, the chairman of the large French chairman of the large French state-controlled oil group, sweeps the horizon for take-over apportunities.

20 world drug companies by 1995."

Elf's other current takeover target is Tricentrol, the UK independent oil company, for which the French company is bidding £135m (\$237.5m). Although Elf is expected to expected its offer for the UK

over opportunities.

During the last few weeks, During the last lew weeks, the cautious and discreet chairman of Elf-Aquitaine has launched his group on two successive international takeover bids which have placed his company in the headlines.

Elf surprised the investment community last month with a bold acquisition bid by Sanofi – the pharmaceutical concern 60 per cent owned by the French oil group – for A.H. Robins, the US drugs company Bur after oli group - for A.n. abblis, the US drugs company. But after Americao Home Products increased the stakes to \$700m, Sanofi and Elf decided to with-draw from the contest for the

US drugs company.

"We are still on the look-out for a US acquisition for Sanofi," said Mr Pecqueur. "We want Sanofi to become one of the top

independent oil company, for which the French company is bldding £135m (\$237.5m). Although Elf is expected to sweeten its offer for the UK independent, Mr Pecqueur, dis-playing his characteristic pru-dence, remarked that Elf had

no intention of acquiring new reserves at unreasonably high prices. "I prefer to pull out of a deal rather than pay too much, As the aborted Sanofi bid for Robins was designed to stringthen the Elf subsidiary's

strengthen the Elf subsidiary's presence on the American drug market, the Tricentrol bid is part of the company's long-term strategy to renew oil and gas reserves by acquisitions In geographically stable parts of the world, at the same time as pursuing its own exploration and development efforts in its traditional North Sea and in its traditional North Sea and West African patches.

During the past few weeks Elf has hurled itself into two totally unconnected takeover bids, raising eye-brows within the financial community in France but, equally, dropping au undisguised hiut ahout expansion.

"We are still on the look-out for a US acquisition," says Mr Michel Pecqueur, Elf's ambitions chairman. Within the next seven years, he plans to turn Sanofi iuto one of the top 20 drug companies in the world."

ing and acquiring new reserves, in large part to offset the decline of its French gas field of Lacq in South-West France on which much of the comps-ny's fortunes have been built, Mr Pecqueur has also been

maintain a satisfactory level of profitsbility in a difficult oil industry environment with cash-flow for 1987 of FFr15bn

and estimated net earnings of between FFr4bn and FFr4.3bn (\$430m) compared with profits of FFr4.3bn in 1986, down-

stream operations were again in the red last year.

The loss totalled about Mr Feequeur has also been The loss totshed about seeking to reinforce the group's downstream refining and retailing operations.

Although Elf has mansged to Although Elf has mansged to finished a particularly strong finished. first half.

Mr Pecqueuer says the outlook for the refining and retail-ing operations remains uncer-

tain and fragile. But the company is seeking to improve the performance of this trou-bled sector, not only by its own internal efforts, but also through a possible association with an oil producing country

with an oil producing country
keen to gain access to the westcrn downstream oil market.
Although Elf has had contacts with several oil producing
countries, Mr Pecqueur
acknowledged that discussions
at this stage were not very
advanced.

advanced.

In contrast to refining operations, Elf's chemicals activities, the company's third core business sector after its traditional oil division and pharmaceuticals, staged a strong recovery last year with profits of about FFrl.5bn compared pared with profits of about FFr250m in 1986. But this year is likely to prove more dif-ficult, said Mr Pecqueur.

The privatisation of Elf has been put on ice temporarily following the October stock mar-ket crash. Under the 1986 French privatisation law, the company, in which the Government owns just over 50 per cent, is due to be privatised by

But Mr Pecqueur acknowledges that nothing will happen before the spring presidential elections and that the issue will probably be re-examined at the end of this year.

Mr Pecqueur has long been an advocate of privatisation. "The interest for us is to enable the

company to tap the capital mar-kets to finance its longer term development and activities," he says. Nonetheless, Mr Pecqueur can

take some consolation from the fact that Elf is still under state control. Without the controlling interest of the Government, Elf

itself might well be a prime takeover target.

Since the October stock mar-ket crash. Elf's share price has propped to about FFr240 valuing the group at about six times earnings. "We would be an ideal victim for a share raid," notes Mr Pecqueur with undisguised

Suez caught up in Belgian bid wrangle

BY GEORGE GRAHAM IN PARIS
COMPAGNIE FINANCIERE de
Sucz. the recently privatised
French banking and investment
group, has found itself caught
in the middle of the battle for
control of Société Générale de
Belgique, Belgium's leading
industrial holding company.
Suez has close links with both
Société Générale and Mr Carlo
De Benedetti, the Italian financier who last week launched a
hostile takeover bid for the Belcian group and both oarties

governor of Société Générale,
sit on Suez's board.
In addition, Sucz owns a 10
per cent stake in Cerus.
French press reports yesterday suggested that Suez had
chosen the Société Générale
camp in its battle with Mr De
Benedetti, but the company,
while confirming that it was
"much solicited," denied that it
had yet taken sides.
Suez sald that while it was
embarrassing to have two of its

Société Générale and Cerus, Mr De Benedetti's French holding company, were both said the group was not an idle selected as members of Suez's "hard core" of friendly share-holders at the time of its privatisation, and hold 1.5 per cent of the company each. Mr De Benedetti and Mr Rene Lamy, Société Générale.

gian group and both parties embarrassing to have two of its have sought its support core shareholders engaged in a contested takeover, the stalies were sizeable and interesting. It said the group was not an idle spectator, and discussions were

Strong profits growth at Freeport McMoRan

BY KENNETH GOODING, MINING CORRESPONDENT FREEPORT-MCMORAN, the New-Orleans based natural tained at 15 cents for the resources group, had its strengest financial year in 1987 since it was formed by merger the distribution or "dividend-interest to the common share for the year."

with 1986 net income of \$25.7m the dividend for the fourth

tion of some assets of Agrico year compared with net income Chemical, and increased oil and of \$13.7m or 34 cents on net gas sales resulting from the revenue of \$59.2m in 1986, purchase of Petro-Lewis Corpo-Freeport-McMoRan En-

The cash dividend is main-

Net income jumped to quoted subsidizaries to the par-\$234.7m or \$3.38 per share on revenues of \$1.5bn compared a further 44 cents a share to or 38 cents on revenues of \$356.5m.

Mr James R Moffett, chairman and chief executive, said the operating results were due to significantly improved commodity prices, expanded fertilizer sales following the acquisition of some assets of Agrico very compared with pet income

Freeport-McMoRan Energy ration and units in American Partners, 73 per cent owned, Royalty Trust.

There were also excellent \$13.5m, compared with a loss operating rates at the group's of \$308.5m in 1986, or 21 cents low-cost operations and effi- per partnership unit, on net ciencies from the integration of revenues of \$147.9m against recent acquisitions.

Rising Austrian baker rolls towards stock market listing

was doomed to stagnation, if not bankruptcy, in the late 1970s has made such a dramatic recovery in recent years that it is thinking seriously about a move on to the stock

market.

The success story of Ankerbrot, identifiable by the red anchor outside each of the 227 branches scattered throughout Austria, has been largely cred-ited to Mr Helmut Schuster, a 55-year-old no-nonesense, IBMtrained manager who in the space of five years has slowly made an impact on Austrian

eating habits.

The task was far from easy.
Mr Schuster, whose office flanks the original bakery

FINAL NOTICE OF SETTLEMENT

Judy Dempsey on the dramatic turnround of a Viennese business

founded in 1891 In Vlenna's 10th district, an old working class area, inherited a company which showed little, if any,

promise, The bakery was in bad shape. Turnover in 1981 was Sch956m and cash-flow stood at about Sch35m. Todsy, turnover tops Sch1.4bn (\$127m), cash-flow has more than trebled and prof-

And in Mr Schuster's words: Schuster turned to television "We have no problems with liquidity."

Schuster turned to television keting alone could not sustain his company's momentum. He was up against one important

own personality.
In 1988, the company had
less than Sch35m earmarked for investment. Little was done

"Our investments today total between Sch82m and Sch90m a hinged on two main strategies: marketing and Mr Schuster's own personality.

"Our investments today total between Sch82m and Sch90m a year and are increasing, annually, by between 3 per cent and own personality.

"Our investments today total between Sch82m and Sch90m a year and are increasing, annually, by between 3 per cent. About Sch17m is allegated to advertising, sales

allocated to advertising sales promotion and marketing. The upshot is that almost every dsy, the Austrian consumer sees Ankerbrot splashed across the television screens. Schl.4bn (\$127m), cash-flow has more than trebled and profits exceed Sch25m.

Seven years ago, the work-force stood at 1,854 and faced the possibility of lay-offs, Ankerbrot now has more than 2,200 employees, and over five years the number of retail outlets has increased by 60 to 227.

for investment. Little was done in the way of sdvertising or promoting Ankerbrot, Mr Schuster soon changed that.

In what is regarded as a radical innovation, at least by Austrian standards where aggressive marketing tactics are still uncommon and where tastes remain largely conservative, Mr Schuster knows that mar-

fat. The average cholesterol by Americans back in the 1960s, when the US had the world's highest rate of heart

his company's momentum. He was up against one important trend. The level of bread consumption has been declining

since the 1950s from i80kg to

65kg per person per year."
As any Austrian doctor and health official will confirm.

sumption of fats. Armed with statistics, he embarked on a campaign stressing the quality and health aspects of bread. Now that market share is increasing, where does Anker-brot go from here? Mr Schuster has several plans, including greater export efforts.

bread as a health food product

in order to cut back on the con-

West German consumers are interested in Ankerbrot's reci-pes. We could have some co-operation with them. Our Foreign expansion could eventually lead to a listing on the Vlennese bourse. In the Such a trend only spurred Mr short term, though, Mr Schuschuster on. He saw that Scan- ter's main concern is to build dinavians were promoting up a strong management team.

Practical Financial Terms
The principal financial terms of the Stepulation
and Agreement of Settlement the Settlement 1 in
Ruseman 9, Surlington Northern Railread
Company, 56 17 does (RLL to the local)

rice - il Krind-and Eligible I aupun Person Sarmeni directic imm

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FRIDAY 26TH FEBRUARY

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********* **FINANCIAL TIMES** EUROPE'S BUSINESS NEWSPAPER

Correction Notice

Wells Fargo & Company

U.S. \$200,000,000

Floating Rate Subordinated Capital Notes due 1998

In accordance with the

provisions of the Notes, notice is hereby given that for the Interest period 12th November, 1987 to 12th February, 1988 the Notes will carry an Interest Rate of 71:"" per apricon.

Imerest payable on the televant interest payment date 12th February, 1988 will amount to US\$191.07 per 198\$10.000 Note.

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By Citibent, N.A. (CSSI Dept.) London Paying Agent

Agent Bank: Morgan Contanty Trust Company of New York London

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OF DIVIDEND No. 22 The Trustees of the Worldinvest Income Fund are pleased to announce a US\$8.50 per share distribution to Shareholders in respect of the half-year period from June 26, 1987 to December 31, 1987 Coupon Number 22, and also any previously unpresented company. may be presented for payment on or after February 1, 1988 to any of the

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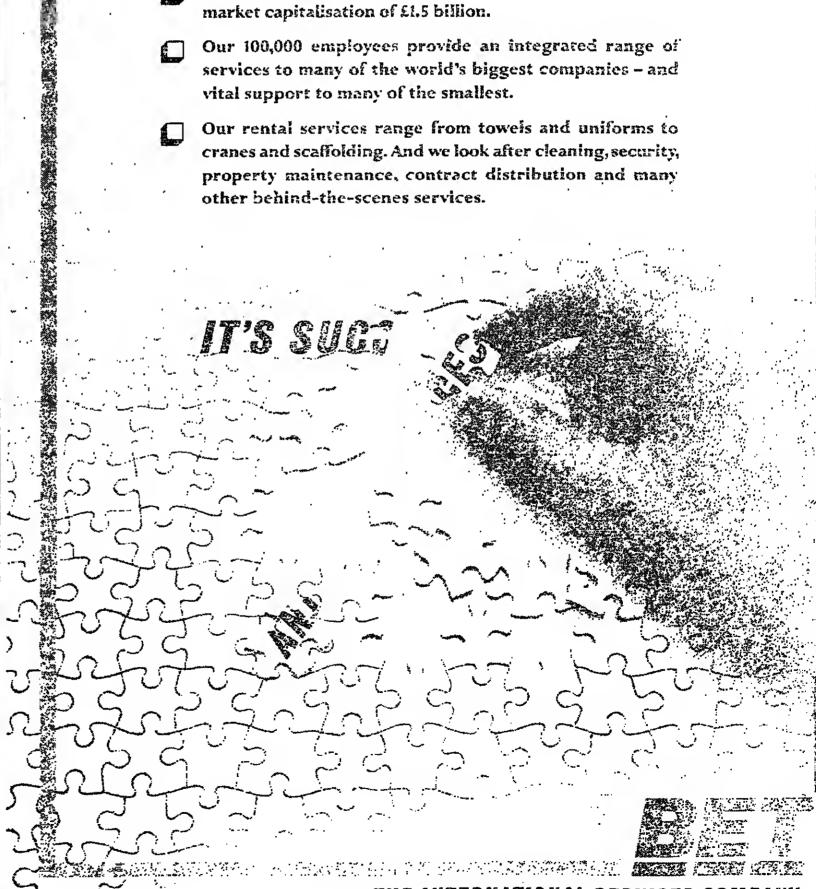
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THE INTERNATIONAL SERVICES COMPANY

Further Eurodollar deals but demand slackens

BY CLARE PEARSON

day continued to follow this year's vogue for resuscitating the Eurodollar straight bond sector, as two more bonds emerged after the market in US Treasuries had rallied on encouraging US economic data. The bonds appeared despite fears that the wave of enthusi-

asm for new Eurodollar paper, which enabled Swedeo to borrow 10-year money on Monday, has run out of ateam ahead of has run out of ateam anead of the US Treasury's forthcoming auctions. So yesterday's four-year bond for Finnish Export Credit seemed more what the market was looking for than the six-year deal for Norsk

Hydro.
Norsk Hydro had launched earlier in the month a highly successful 2½-year bond. But dealers were not expecting yesterday's \$150m 9 per cent issue to go down so well, even though it was seen as fairly priced, since buyers of the first bond might not want to venture this far out along the yield curve.

Swiss Bank Corporation International, the lead-manager, admitted Norsk Hydro's new bond was not prompting so much retail interest as the first one. But demand from institutions was strong enough to keep it trading at less 1.80 bld, just inside its 1% per cent commissions.

five-year par-priced deal for higher, compared with 2 per cent fees.

In Switzerland, dealers reported a slight scarcity of paper in the foreign bond market despite this mooth's prolific new issuance. This is ascribed to continued falls in Swiss interest rates and the tendency of investors to stay clear of the equity market.

Seasoned Swiss franc foreign might not want to venture this

measure as it came late in the day, But initial quotes were in the region less 1% bid, 2 discount equivalent to its full fees. Priced at 101%, its initial yield spread over US Treasury bonds

was 55 basis points,
Although demand for Eurodollar bonds is thought to have
tailed off slightly, secondary
market dealers reported active two-way dealing by retall investors at the time of the US

venture into the Euroyen sector to 45 basis points. D-Mark with a Y15bn deal led by Eurobonds saw less volume and Yamaichi International achieved price rises of about 4 point.

(Europe).
Competition for the mandate is likely to have been keen, reflected in the bond's terms which provided a coupon of only 5 per cent on the 5½ year bond, priced et 101%. Prices were not available on brokers' screens but dealers indicated a bid price of less 2%, against 1% per cent fees. The lead-manager said, however, that some of the paper had been pre-placed.

INTERNATIONAL BONDS

of the largest Japanese equity warrants yet seen, a \$500m five-year par-priced deal for

missions.

The performance of Merrill
Lynch International's \$200m
8½ per cent bond for Finnish
Export Credit was difficult to measure as it came late in the

Neverthelesa, Nissan'a deal traded as high as par bid yes-terday, helped in part by a ris-lng US Treasury market.

Two bonds appeared in the higher-yielding sectors of the Eurobond market: a DKr300m (nominal) issue for Finance for Danish Industry, and an A\$50m issue for GMAC Australia Finance.

Bank of China, which has in the wake of the release of borrowed in the D-Mark and the US GNP figures, with dollar markets, made its first domestic bond prices gaining up

Deutsche Bank led a DM100m Deutsche Bank led a DM100m seven-year bond for Japan Floance Corporatioo for Municipal Enterprises, which borrowed in the Eurodollar bond market last week. A large number of banks joined the underwriting group, as issues by Japanese government-guaranteed borrowers are rare in the D-Mark sector.

The 5% per cent issue, priced at par, was quoted at less 1.45 bid against 2% per cent fees. Westdeutsche Landesbank led Westdeutsche Landesbank led a DM75m five-yaar bond for Realkredit, the largest Norwe-Yamaichi also launched one gian mortgage bank. The 5% fithe largest Japanese equity per cent bond, priced at 100%, arrants yet seen, a \$500m traded at less 1% bld, or a little ive-year par-priced deal for higher, compared with 2 per

san, which was unlikely to interest rates and the tendency excite the market in the same of investors to stay clear of the way as some other Japanese car companies. They were also concerned that the equity warrants sector was becoming firmer, by 4 point or more. A spectrudened with recent SFri50m 4½ per cent 10-year bond for the Province of Sankatchewan closed its first day's trading at 100½, 4 point traded as high as par bid yes-

above its issue price. Swiss Bank Corporation found strong damand for a new SFri 25m 10-year bond for Sara Lee, the Chicago-based foods and household goods company. The 4% per cent bond, priced at 101 traded at least 4 ber 101 traded at least 4 ber 101 traded at least 4 ber 101 traded at 101 traded

101, traded at less % bid. Banca della Svizzera Italiana priced a recent SFr80m con-vertible bond for TEC Elecinvestors at the time of the US
Treasury bond market's highest point yesterday. Ten-year bonds rose by about % percentage points.

US Treasuries were encouraged by the release of US gross national product figures, which showed a large build-up in inventories in the fourth quarter, suggesting that growth in the first quarter this year would slow.

Finance for Danish Industry's four-year zero coupon bond, led by Privathanken, proved a success and was bid at less 0.60 against 1% per cent fees. It was four-year 13% per cent below the indicated level. The put option after 2%-years was fixed to give a 3.3 per cent yield, having been indicated at 3% per cent.

FT INTERNATIONAL BOND SERVICE

Listed are the latest Interna	tional bonds fo	or which there is an ade	quate secondary market.
US BOLLAR		Charge on	Closing prices on January 27
STRAIGHTS Abbey National 712 92		Mer day week Yield 95% 0 +0% 890	PEN STRAIGHTS bound the Other day worth Vield Belghan 45 94 97 +074 +074 5.23
All Nippon Air 93 97	100 196 9	9612 -012 +012 9.99 9612 -014 +012 9.92	Betglant 45g 94 45 965g 97 407g 407g 5.23 E.J.B 45g 94 77g 0 5.14 Elec. De Franco 5tg 94 20 975g 1000g 400g 0 5.12
A/S ElsportTinans73 93	100 1935 9	9414 -012 +012 9.00	Kansal Electric & 94
Barc. Bk. Fin. 104 89	150 945 9 200 11021 10	954 -04 +04 8.83 034 -04 +02 8.44	Rep. of Baly 53, 92 150 1039, 1039, 0 0 4.75
Belgium 9's 92	400 1100% 10	0174 074 + 072 8.80	Switchen 44, 92 50 973, 98 0 -04, 4,94 World Bank 54, 92 50 103 1033, +04, -04, 4,70
British Telecom 87 94	150 +991 9	90 AUL 40L 809	Average price change On thy +0 on weak +0
Canadian Pac 103, 93	1000 +100 10	0012 -014 +014 8.95 0514 0 +014 9.55	Corner on
C.C.C.E 73 92	113 +95% 9	95% -0% +0% 8.60	OTHER STRAIGHTS Issued Bid Ofter they work Yield
C.N.C.A 74 91	100 11004	95% 0 +0% 277 101 0 +0% 7.87	Augus 84 89 FL
Credit Lyarnays 9 91	200 101 10 100 95%	96 - 010 + 010 8.51 96 - 010 + 010 8.63	Air Products 64, 91 FL
Credit National 74 91	150 951-	96 -04 +03 8.57	Alo. Bk. Ned. 73, 89 FL
Denmark 71g 92 Denmark 81g 91	300 YIML 1	941e 01a +01a 2.96	Ray Rk 10L 97 C 250 981 993 465 411 1041
E.E.C. 74 93	100 953 9 250 943	95% +0% +0% 8.36 95 +0% +1 8.59	8P Capital 131, 92 AS
E.E.C 84 96	100 1945 9	954 +0% +1% 9.13	Demark 71 92 ECU 100 101 10112 -04 +012 7.38
E.LB. 73 93 E.LB. 93 97	150 +101 10	951 ₀ +01 ₀ +11 ₀ 8.74 011 ₂ +1 +11 ₂ 9.16	DG Fin. Co. 14 90 AS 75 +103 104 +1 +03 12.22
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Ford Motor Ered 113 90	100 +1051 10	364 +04 +02 8.08	Deutsche BL 1414 92 A\$ 100 +10612 107 -01 +012 12.04
Gen Elec Credit 101, 00	200 +1021, 10	021 - 04 2 9.87 004 0 + 04 7.95	Dresdoer Ra. 13% 91 AS
G.M.A.C. 84 89	200 +1004 10	103 -04 +04 7.81	E.1.585 93 LF
Hoesch 84 97	100 1911 ₂ 100 1951 ₂	92 0 +2 9.64	Earaton 111, 88 FL
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Newmont strikes it rich in Nevada

By Kenneth Gooding, Mining

NEWMONT GOLD, the New York quoted company 90 per cent owned by Newmont Mining, said yesterday that initial findings from a deep, long drill bole at its Post property to Nevada indicated mineralisation of nearly an ounce of gold per too of ore - "the richest assay over each a long intersection that we are aware of in the history of gold exploration."

The significance of the discovery can be appreciated by the fact that Newmont Gold is currently profitably mining and processing ore that aver-

processing ore that averages 0.849 oz a ton, the company pointed oot.

"Obvioosly this deeper Post resource will be more expeosiva to mice and treat. But if grades as high as 20 times that of our average." age grade ore are pervasive, there is pleoty of leeway," said Mr Peter Philip, presi-

dent.
The deep drill bole in tha so-called Carlin Trend, Nev-ada, weot to a depth of 2,045ft and averaged 0.93 oz per ton over a 470ft interval. Newmoot said.

The company currently has 15m oz of gold in its proven and prohable reserves and another 5m oz of estimated resources. Newmoot's reserve posi-tion is the largest formally announced in North Amer-ica and the average grade is

0.049 oz a ton.

This year the company expects to be North America's largest gold producer with an output of 930,000

Its current five-year plan calls for annual prodoction to reach 1.6m oz in 1991, making Newmoot the third largest producer in the non-Socialist world unless one of its competitors has an opexpected substantial increase in ontpot.

Newmont Gold's pareot groop is 49.7 per cent

owoed by Coosolidated Goldfields, the UK-based mining investment group.

Nasdaq market makers face tighter rules

By Stephen Fider, Euromarkets Correspondent

Association of Securities Designs has agreed on a aeries of measures to tighten up the commitment of market makers on the Nasdaq, tha US over-the-counter shares market, and to improve the operation of its automatic execution system for small orders. Nasdaq dealers were criti-

eised at the tima of the stock morkat collapse lo October for, among other things, failing to pick op telephones and pulling the plogs on the automatic exe-cution system.

cution system.

The system also stopped functioning wheo, in the chaotic conditions, prices were croased for certain secorities. This happened when, for example, one market maker's bid price was higher than the best offer price from another market maker in the same security.

The new rules were originated.

The oew rules were originally pot forward in November and the expected approval is still required from the Secorities and Exchange Commission. In

· A firm which withdraws A firm which withdraws as a market maker will be prohibited from resuming as a market maker for 20 bosioess daye. Acceptable reasons for withdrawal will be narrowly defined but there will be rights of anneal.

there will be rights of appeal.

• Participation in the Small Order Execution System (SOES) will be mandatory for all market makers. Participation is currently optional and 210 out of 540 market makers use the system. The change, says Nasdaq, should raise the number of transactions executed automatically to between 25 and 30 per cent from 13 per cent.

from 13 per cent.
Cootiooe SOES
operations even when quotations are crossed.
Provide for different maximum order sizes in the SOES aystem to take account of the different characteristics of different

Soffex start delayed

THE START-UP of the Swiss Options and Financial Fotures Exchange (Soffex), scheduled for the beginning of March, will be delayed by at least several weeks while a foll-scale simulation of the fully electronic system is carried oot, Beater reports from Zurich.

A two-mooth trial of the system involving all mem-bers will start at the beginniog of February. A oew start date will be anounced later oext

David Dodwell on the effects of October's crash on the HKSE

Prices steady at lower levels

LIKE MOST of the world's smaller stock markets, the Hong Kong Stock Exchange (HKSE) has followed the leads of New York and Tokyo since October. If there is any lasting esson from the crash, it is that, whatever the fundamental strength of local companies, it is the actions of the US Admin-istration that ultimately deter-mine their share values.

Share prices appear to have steadied at the lower levela established at the end of October and market turnover has crashed to barely one-third of the levels recorded in the month before the crash. Market sentiment, neverthe

less, seems to have hald up well. Analysts appear to share the view that the downside risk on the local market is small -with the fundamental economy remaining buoyant and most quoted companies reporting strong profits growth. In their latest forecasts, many have talked of a 20 per cent improve-ment in share prices in the first half of this year, among them Hoare Govett and James Capel.

Companies quoted on the Hong Kong stock market were among the most severely affected in the wake of "Black Monday." Most index stocks suffered falls of between 36 per cent and 65 per cent, with many second liners - which had secounted for the great-majority of trading volume ahead of the crash - losing four-fifths of their stock mar-

Several of these - like Evergo, controlled by the Lau brothers, and Jademan, cootrolled by Mr Tooy Wong - have made substantial writeoffs against pre-crash stock market investments. Yet there have been no disclosures so far

ket value.

that have pot an individual stock market turnover to company in jeopardy or rocked around HK\$700m since mid-Nowider investor sentiment.

As the market has a statistical stock market turnover to company in jeopardy or rocked with daily vember - compared with daily statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical stock market turnover to company in jeopardy or rocked with the statistical statistics.

matched equity holdings.
In the immediate wake of the crash, they promised to sell only gradually into the market but, with an estimated HK\$6bn (US\$642m) lo stocks to be placed, they have been ready sellers into any market transfer into any market transfer into any market transfer.

strength. It is understood that most of these short positions have now been unwound, so further depressive placements are not expected.

A second ldiosyncratic factor has been the US dollar and the local currency. While the Yes

local currency. While the US unit has been in decline, few foreign investors have been keen to commit funds to the Hong Kong market for fear of



after the crash. Yet only a handful of investors - mainly US domestic fund managers - appear to have acted on this negative sentiment. Companies like Drexel Burnham and Car-

The number of unit trusts queueing for registration with Hong Kong's Securities Commission has actually soured since October. There were just under 80 trusts in the queue on October 15, but this has risen to seeing share price gains eroded by currency devaluation.

The result of these forces has been a plunge in average daily

South the were just and october. There were just and october in the queue on October. There were just and october in the following and october. There were just and october in the property of the property october. The were just and october in t

products was focusing four products was rocusing four months ago on the potential high returns of Asia-based funds, now they are being packaged very much as defensive plant

aged very much as the plays.
Inevitably, the queue for new listings, which in October stretched through to June this year, has disappeared. RJP Electronics a small electronics group, was last week the first group, was last week the first company to go public since the crash, aiming to raise jost under HK\$70m through a placement of new shares accounting for 25 per cent of its enlarged share capital. The issue was 2.6 times oversubscribed, which in itself gave few aignals about sentiment, given the small size of the issue.

There have been no fundraising issues. Hong Kong companing issues. Hong Kong companing street heavily geared and

There have been no fundraising issues. Hong Kong companies are not heavily geared and can expect to rely on internal funds and bank borrowings to fund internal expansion or acquisitions. A number of large local institutions – like the Hongkong Bank, the Jardine group and Li Ka-shing's group of companies – had taken advantage of strong stock market prices earlier in the year to mount rights issues to underpin future expansion needs.

mount rights issues to underpin future expansion needs.

The aconomy, meanwhile, remains remarkably resilient. Growth as measured by gross domestic product is likely to be closer to 13 per cent than 12 per cent for 1987 and forecasts for 1988 range from a cautious 5 to 6 per cent from government officials, to stockbrokers like Hoare Govett tipping 7 per cent.

Much depends on developments in the US economy, since growth is still very much export-driven, but signs of a slump in orders have yet to

Swiss may extend banking regulations

THE SWISS banking authorities are drawing up plans to subject issuing houses and other finance companies to regulation as banks, Benter reports from Berne.

Senior officials of the Federal Banking Commission and the Swiss National Bank are drafting a new decree under the Bankiog Act which would require companies engaged in bank-like activities to register as banks. They would then face the liquidity and capital requirements that apply to

Mr Kurt Hauri, director of the

National Bank and would then be submitted to the Finance Ministry for approval. The proposed change would be offered for public comment before going to the Government for a decision.

Mr Markus Luaser, the National Bank's vice-president, sald he would have preferred to see a revision to the Banking Act itself. However, that would have taken years, in a country where banking plays such a large who in the general and so I would favour a grandfatheriog provision—those who are already here should be allowed to stay, but have taken years, in a country where banking plays such a large role in the economy and in politics. Both men identified a poten-

should be allowed to stay, but there would have to be reci-procity for new companies." Current Swiss law differenti-

ance their securities business almply by borrowing from

The case of Continental Illi-nois showed that a bank which refinances Itself with other banks is more likely to have trouble than one with a big public as depositors. And it can cause just as big a problem for the banking system."

Swiss banks have long argued that parabanks enjoy a competitive advantage over normal banks, since they do not have to back their assets with specific amounts of capital, and Banking Commission, said the tial problem for some foreignates between traditional banks cific amounts of capital, and revised decree was being owned companies, especially which solicit publicly for funds have sought a special regulatorafted in consultation with the those from Japan, where few and what Mr Lusser calls paration to be applied to them.

All these securities beging been said, this automacement appears as a matter of record only TO WE WAS THE BALLY OF



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Samuel Montagu & Co. Limited Nomura International Limited

The Royal Bank of Scotland pic

Swiss Bank Corporation International Limited

Union Bank of Switzerland (Securities) Limited

Putting a jewel in everyone's crown

Maggie Urry on the systematic marketing behind Ratners' growth

lery market. Since then they have transformed not only their view but their family company too.
The younger generation took over the Ratners chain — Gerald (now 38) took charge in 1984 and appointed Victor (31) as having director — and (31) as buying director - and now the shops have filled. The profit record which was heading downwards in the early 1980s has not merely

reversed but rocketed.
Having succeeded with his own chain, Gerald Ratner's ambition was to expend to a 1,000 stores in the UK through a number of chains under Ratners' ownership. In May 1986 Ratners agreed to buy H Samuel, the largest jewellery retailer in the UK with around 350 stores, to produce a combined business, under the various names, of

about 550 shops.
Ironically, Samuel had once seemed a possible bidder for Ratners, holding until 1982 a near 20 per cent stake. Like Ratners, Samuel's profits had dropped in the early part of the decade. But while Ratners' profits were reviving, Samuel's were still well below their 1980 peak.

Thus when the takeover went through in June 1986. the Ratners were faced with a number of management prob-lems reflected in the much poorer performance of the Samuel business. Although Samuel's store portfolio was good and its image and prices were more up-market than those of Ratners, its turnover per square foot of sales space at £32 a year was far lower than Ratners' £66.

The task with Samuel was to repeat the Ratners' success, while maintaining a cess, while maintaining a tation of the changes with noticeable difference between remarkably few departures the two chains positions in among the personnel.

B.V.

"WHEN we used to walk the market After 18 months down a high street on Saturday afternoons, our shop would be empty and all the is up to £62 per square foot, others full, and we'd say while he expects Batners to 'that's the jewellery trade', recall Batner consins, Gerald in a year or two he reckons and Victor. Then they were merely trotting out the Samuel than in Ratners because of the higher average level market.

price of the merchandise. Put simply, Ratners had won business by offering cus-tomers the jewellery they could afford rather than the quality they could not. Gerald Ratner is unashamedly frank about his merchandise. "Diamonds are a very bad invest-ment — especially ours," he says with a smile.

Though be wears no jewel-lery himself, aside from a discreetly tasteful wrist watch, he and Victor both have the knack of knowing what will sell and none of the snobbry which has lost traditional jewellers market share.

Once they had persuaded shoppers to think of jewellery

Ratners won business by offering customers jewellery they could afford rather than quality they could not

in the same way as other goods, price and fashion became more important con-siderations. And since Ratners offered gold jewellery -even if much of it is only 9 carat - starting at prices of a couple of pounds or less, customers could afford a new pair of ear-rings every week. There is far more to it than that, though. The formula which Ratners had applied to its own business had to be imposed on Samuel Tight central control of buying, stocks and store display, plus incen-tives for all staff, are the

At Samuel's headquarters in Birmingham, Victor. Ratner has been largely responsible for the day-to-day implemen

Getting the right merchan-dise is perhaps the most important part. The Ratners were astonished to find that the sales figures and were which were the best selling

Instead they were told to buy according to price ranges, a practice which encouraged

The Ratners approach is for the buyers to know exactly what sells best, with stock left unsold eventually being returned to suppliers. "We persuaded suppliers it was better for them as well as us to have their faster selling lines in our windows," the Ratners explain.

As Rainers has grown, and with the addition of Samuel and later Ernest Jones in the UK and Sterling in the US, its buying power has increased to allow it to offer yet more competitive prices.

In the pursuit of ever cheaper products Ratner has worked with suppliers to produce hollow gold jewellery without seams, thus shaving a few more pence from the price. Among the best-selling Christmas gifts was a lead crystal sherry decenter with six matching, egg-cup shaped glasses on a silver plated tray priced at £14.99. How could it be priced so low? "Because It's crap," says Gerald Rather. "Buying," says Victor.

means abandons the top end of the market and Samuel will be stocking one carat diamond rings selling at around £1,600 - a far lower price than an independent jeweller could hope to put on such a stone. Once the merchandise has been selected, the buyers are involved with decisions about display and stocking of goods

in the stores. In the ba

However, Ratners by no



suppliers to put up their prices rather than offer discounts. Unsold stock was not returned to suppliers and the ahops gradually clogged up with unsold items.

Gerald Rather has persuade the been built where window discounts. Unsold stock was not returned to suppliers and the abops gradually clogged up with unsold items. been agreed, an in-house pho-tographic team produces pic-tures of each tray and its place in the total display.

Store managers are then supplied with the photos, the merchandise, the price tickets and the display pads and told to recreate the window exactly as it was designed.

Thus, allowing for differences in the size of shops, every Samuel shop in the country has precisely the same merchandise, at the same price, A 150-item order which might have taken three hours to put

together can now be done in five minutes placed in the same position in

"We have been doing this in Ratners for 20 years but no other leweller does it," says Gerald Ratner, explaining that it frees store managers for the more important business of selling goods. Before the takeover, memos of such complexity were sent to stors managers that, according to offices and turned them into

extra selling area," he grins.
Each pad is arranged with
painstaking care, similar
products and price ranges are put together so that window shoppers can quickly see the various styles available. Even the placing of an item within of the Birmingham warehouse a pad can affect the number a full scale Samuel store has of sales.

When something is sold it is replaced with exactly the same line. Most jewellers will replace one ring with another, often very different one, until their windows "resemble a umble sale," says Gerald Rat-

Just as important is the place each Item has in the window. "We put coloured stone ear-rings at an angle," explains Gerald Ratner, "so that the light shines on them and they sparkle. Best sell-ers are put in the places which most readily attract the eye of passers-by. Replacing sold stock quickly

is clearly important and in the run-np to Christmas each shop received a daily delivery of the smaller items of stock, with twice weekly arrivals of larger goods, such as clocks.

Better computerisation at

the warehouse has greatly improved efficiency. The compater automatically telephones each store every night and produces a list of goods required in a form which makes it easy for the warehouse pickers - the girls who "pick" the items out - to ssemble an order rapidly.

A 150-Item order which might have taken three hours to put together in pre-take-Gerald Ratner, they needed over times can now be done in an office just to read them in. five minutes. Putting the "We've knocked out the pickers on bonuses has obviously helped. A few thousand pounds spent on racking has allowed more storage space, though in the run-up to Christmas even the wor lavatory was doubling as warehouse space.

By doing much of the store manager's job for him - thing substantial to the com-choosing, displaying and re-ordering merchandise - Rat-ner hype."

business far more rapidly than if more managers experienced in the jewellery business were needed. Any inflexibility in the system is more than offset by the gains. What Ratners has done is to put the merchandise custom-

ers want in the environment they are happy to shop in, and introduced the tight con-trols essential for any retailer to maximise sales without carrying too much stock.
It might not have beaten the

competition so easily had not the jewellery trade in general been slow to change. A recent report on jewellers by the retail research firm, Verdict, said: "The central problem is that jewellers have simply not been very good retailers. Familles still dominate the businesses which are often long established and unresponsive to new ideas."

Even now Verdict estimates that independents still own 75 per cent of jewellery shops, although having a smaller share of the business. Verdict reckons that Ratners' market hare has risen from around 2.5 per cent when Gerald Ratner became chairman to about 19 per cent now. Understandably, he is not very popular in the jewellery world.

Nor has Ratners always been popular in the stockmarket since much of the expansion had been financed through rights issues. But as one stockbroking analyst puts it, when he saw the transfor-mation of the Samuel chain: It dawned on me for the first time that there was some-

Pagoda: a designer's pinnacle of ambition

Feona McEwan on a UK award-winner

ing a new product design into a commercial success, dreaming up the bright idea is often the easy part.

The way design award winner Nigel Browne tells it, the obstacles facing go-it-alone designers in today's risk-averse British climate are daunting indeed.

Browne speaks from experience. First overtures to the bank for financial backing to help him design, make, market and distribute his brainwave, Pagoda space covers, drew a blank. "You're no more than a babe in nappies trying to run the marathon," one bank manager told him. Just over a year later, the

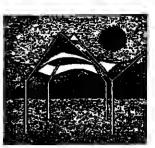
babe has survived many a marathon. In 1987, Browne's company, Nomad Structures International, with a workforce of 60 peoexports to 19 countries.

Pagoda covers are futur-istic-looking structures (see the company's logo illus-trated), available with or without walls, portable and colourful, and with a myriad functions. Today they get the design industry seal of approval by being chosen for a 1988 British design

The pagodas can be used as exhibition stands and by promoters in shopping mails, as camouflage canopies by the military, as awnings at ontdoor con-certs, and as exotic marquees at private functions. Browne offers the latter for hire through a franchise

The conspicuous sail shape of the pagodas makes them a crowd-puller. When the Manpower Services Commission took a stand at the Royal Welsh Show last year, visitors increased from 700 the year before to 10,000, a fact it attributes entirely to the pagoda. Similarly, when a garden centre used a pagoda for its Christmas grotto, turnover dou-

Browne's struggle to get started underlines a conundrum for many entrepreneur-designers. For all the pressure on British designers to make good in their own land, there is a host of



unhearing financiers who, whether through bitter experience or blinkered horizons, is reluctant to back designers who have no

track record.

Describing himself as broke, Browne bad rejected alternative financing. He found innovation grants counter-productive, having strict and time-consuming stipulations. They take too much trouble to get hold of and many insist you embryonic stage, when the idea is no more than a scribble on a fag packet. It's quicker to get on and do it

There were also the venture capital companies but they insist on hefty equity and a rein on the company which Browne found unacceptable. Ultimately, he came across another bank manager - "probably the one in a million bank manager" - who proved as far-sighted as the original manager was myopic, Now he operates on a straight loan basis which expands "as long as the results come in."

One further tip Browne regards as vital for a suc-cessful design business is market research. "Not the expensive sort, but the sort that involves a good pair of walking shoes and goes to exhibitions and sees what the trade is likely to buy. There you get the good critical commo

This year Browne is taking his design to new markets with two new versions of the Pagoda: garden struc-tures, aimed at the consumer market and giant covers ("at 4,000 tonnes, the largest single span structures ever produced, he claims), for use over sports stadiums.

Legal Notices

IN THE MATTER OF

SORREL INVESTMENTS LIMITED

AND

IN THE MATTER OF THE CYPRUS

NOTICE IS HEREBY GIVEN that the creditor

NOTICE IS HEREBY GIVEN that the creditors of the above-agmed company 25th day of Fobruary 1988 to send in their fall names, their addresses and descriptions, full perfodings of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Mr Anthony Helprocason FCCA of Julia House, 3 Themistocles Dervis Street, P of Julia House, 3 Themistocles, T of Liquid Took of the Street, P of Julia House, 1 of

Dated this 25th day of January 1988.

A Hallroussos FCCA Liquidator

Company Notices

FOR FINANCIAL **SERVICES**

The Financial Times proposes to publish this survey on:

MANCHESTER A CENTRE

Wednesday 20th April 1988

For a full editorial synopsis and details of available advertisement positions, please contact:

> **BRIAN HERON** on 061-834 9381

or write to him at:

Alexandra Buildings, Queens Street Manchester M2 5LF Telex: 666813

Manchester

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confidence to pursue proactive policies are

increasingly a requirement for success.

Business School

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Bass Charrington Limited BASS PLC

UA 30,000,000 7% Bonds 1991

Notice is hereby given that, in accordance with the terms and conditions of the above-mentioned loan, Bonds for the principal amount of UA 1,050,000 have been drawn, in the presence of a Notary Public, on January 14, 1988 for redemption at par on March 1, 1988.

The following Bonds have been drawn and may be presented to Kradietbank S.A. Luxembourgeoise or

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Bonds surrendered for redemption should have attached the coupon due on March 1, 1989. Coupon due on March 1, 1988 should be detached and collected in the usual mariner.

Amount outstanding: UA 15,000,000

Bonds previously drawn and not yet presented for redemption:
190 - 1441 - 2206 - 2720 - 3521 - 3624 - 3626 - 3928 - 4256 - 4293
8533 - 10098 - 10532 - 10915 - 11073 - 11139 - 12124 - 14204 - 14217 - 14828
18718 - 17639 - 19046 - 19272 - 22187 - 22189 - 26641 - 27083 - 29891

The Principal Paying Agent KREDIETBANK S.A. LUXEMBOURGEOISE

KB IFIMA N.V.

KB Internationale Financieringsmaatschappij N.V.

US\$ 150,000,000

In accordance with the Description of the Notes, notice is hereby given that for the interest period from January 27, 1988 to April 27, 1988

the Notes will carry an interest rate of 7.0875 % per annum.

The interest payable on the relevant interest payment date, April 27, 1988 against coupon no 8 will be US\$ 179.16 per Note of US\$ 10,000 nominal and US\$ 4,478.91 per Note of US\$ 250,000 nominal.

In accordance with the terms and conditions of the Debentures,

the interest rate for the period 25th January 1988 to 29th February 1988 has been fixed at 7 per cent per ennum. On 29th February 1988, interest of USSS.027777 per USS1.000

The rate of interest for the period commencing 29th February 1988 will be deter-

BANQUE NATIONALE DE

U.S. \$12,500,000

Floating Rate Note due 1958 (Series B)

Notice is hereby given that the rate of interest for the period 280 January 1988 has been fixed at 7.4375 per cent per annum.

On 28th July 1968 Interest of US \$188.00 per US \$,000 nominal amount of the Notes, and US\$1,890.03 per US \$50,000 nominal amount of the Notes will be due against interest Coupon no. 13. SWISS BANK CORPORATION RYZPRATIONAL LIMITED Pleasures Agent

BRITISH CXYGEN FINANCE B.V. 250,000,000

114 Committeed Boards 1981

US\$103,000,000 10% Guaranteed Bonds 1963

Clubs

s of the above Bonds are advised that must Root and Accounts for the year 30 September 1887 for British copyen a S.V. and The BOC Group pic. Chart-ad, Whotesham, Surrey GUZD SHJ

Orion Royal Bank Limited Agent Bank and Principal Paying Agent

The Agent Bank KREDIETBANK S.A. LUXEMBOURGEOISE

THE ROYAL BANK USDOL 100.000.000 OF CANADA U\$\$350,000,000 CREDIT DU NORD Floating Rate Debents

Floating Rate Notes Due 1997 For the period Jenuary 27, 1988 to April 27, 1968 the notes will carry an inte-27, 1905 the noise will carry an interest amount of USDOL 100,10 per USDOL 10,000 noise. The relevant interest payment date will Banque Peribes (Luxembourg) S.A. Agent Bank

IU INTERNATIONAL CAPITAL CORPORATION N.V. USSS.000.000 RETRACTABLE FLOATING RATE NOTES DUE 1992 PLIANING HATE NUTES DUE 1992 NOTICE IS HEREBY GIVEN that for the internat period constructing 29th January, 1988 the Notes will bear internat at the rate of 794% per prunts. The interest psymble on 29th April, 1988 ageinst Coupon No. 14 will be US\$192.74 per US\$10,000-Notes.

CLASSIFIED Per line (min 3 incs) (min 3 cms) 14.00 47.00 12.00 41.00 10.00 34.00

14.00

48.00

18.00 10.00 16.08 44.00 34.00 34.00 13.00 44,00 Premium positions available er Bingle Column con extra (Min 3 cma) All prices exclude VAT For further details write to: resticed Advertisement blessoper *MANCIAL TIMES, 10 CARNON STREST, LONDON ECAP 45Y

WEEKEND FT

REPORTS LANGUAGE COURSES

LANGUAGE COURSES The Financial Times proposes to publish this Report on

Saturday 20 February 1988

For a full editorial synopsis and details of available advertisement positions, please contact

Sue Mathieson on 01- 489 0033 or write to her at: Bracken House, 10 Cannon Street London, EC4P 4BY.

Manchester, with its emphasis on participation and project methods, has met these needs and provides a well-tried format for generating practical solutions. The next two courses run from May 9th to May 27th 1988, and from September 12th September 30th 1988. For details complete the coupon and return to: The SEC Administrator, Manchester Business School, Manchester MI5 6PB. Tel: 061-275 6333. Ext. 6369. Telex 668354. NAME_ COMPANY POSTTION ADDRES TEL NO. NILERSITY OF MASCHESTER

Ferranti's 5% rise disappoints City

Sir Derek Alun-Jones (left), chairman of Ferranti and his

deputy, James Guerin.

Williams Lea rises 71%

Williams Lea Group, pri-vately-owned financial printing 177.8p (100.4p). and communications company, increased pre-tax profits by 71 said that despite a slow start to

and communications company, increased pre-tax profits by 71 per cent in the year to end-September 1987. The £5.71m fig. in international financial busi-

The dividend is being group products remained buoy-increased to 15p (10p). Earn-ant.

Financial Highlights

For the 18 months ended 30 September 1987

- Turnover up from £72.1 million

£5.2 million to £25.0 million

- Pre-tax return on sales up 33%

Earnings per share up 21% to

- Dividends per share up 14% to

HOW OUR STRENGTH HAS

GROWN WITH UNITY

Since the integration of McCorquodale into the Norton Opax group in 1986, our growth has continued apace, as

based in the UK, with manufacturing operations in nine

organisation, and a commitment to the highest standards

constant willingness to grasp opportunities and exploit

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Norton Opax plc, Norton Opax Honse, 11 Ripon Road, Harrogate HGI 2JA

Our turnover and trading in recent months has been encouraging, and we expect our growth to be maintained.

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to the Company Secretary at the address below.

Today we are a major international printing group,

countries and export sales in a further fifty.

Our strength lies in a decentralised and flexible

of quality and service. Our growth derives from a

a glance at the figures above shows.

them to the full.

to £260.5 million

- Pre-tax profits up from

\$150m.

Forranti, UK electronics group, is to create a new divi-sioo specialising in major weapon systems and to re-name itself Ferranti International Signal following its merger with International Signal and Control, the UK-listed but US-based defence contractor.

Sir Derek Alun-Jones, Ferranti chairman, made these

announcements when presenting the two companies' last reports es separate entities for a full period before their

a full period before their merger took effect.
Ferranti reported pre-tax profits up 5 per cent to \$23m for the six months to September 30 1987. ISC taxable profits rose 13.8 per cent to \$23.9m (£13.46m) for the same period.
The interim dividend was set at 0.72p - 20 per cent up on last year and in line with the directors statement at the time of the merger.

of the merger.
The City marked the price down 6p at 80p, mainly on disappointment at Ferranti's half of the results.

The merger was declared unconditional on November 16

Panel considers

larger grocery group.
The Panel executive met yes-

terday to consider various

Waverly Cameron

Flavell Communications,

which has been trying to block

Mr James Gulliver's proposed management buy-in at Waverly Cameroo, the Scottish statio-

nery company, has bought a further 12,500 shares in

Waverly, lifting its holding to 245,850 shares, 25.61 per cent

of the equity.

B&D's bid

for Dee

By Mildd Tait

The merger is being treated using acquisition accounting which will allow the new group to apply for a listing in the US.

Ferranti might want to do this, and to seek a listing in Tokyo, in about a ware's time.

The combined order book was £1.58bn at the end of September, 13 per cent up on March 1987. Ferranti's share was \$800m and ISC's share of \$1.3bo iocInded oow US defence orders of more than in about a year's time.

Sir Derek said that good progress was being made in identifying new business opportunities which the merger would bring for the two companies.

control and intelligence projects, and major sensor projects. However, it would probably take more than a year for such projects to come to fruition.

Sir Derek did not expect major rationalisation from the merger, because there was very little overlay between the two little overlap between the two companies. Six ISC directors have joined the Ferranti board, including Mr James Guerin, ISC executive chairman, as deputy

chairman.

Reflecting on its six months,
Ferranti said good progress had
been made in most areas, particularly computer systems, but market difficulties affected the offshore industries group which lost £1.7m (£0.8m loss).

Ferranti Share Price relative to the T-A Electronics Index

which lost £1.7m (£0.8m loss).

Turnover of £30.2m (£297.8m) included £29.6m from thesemiconductor activities which have since been sold to Plessey. The division made an operating loss of £0.6m, against a loss of £1m in the same period of 1986.

Ferrantl's operating profit was £22.8m (£22.4m). After allowing for other income £3m (£2m), interest payable of £2.8m (£2.5m), and taxation of £2.8m (£7m), profit on ordinates.

J Gardner up and ready for

acquisitions

J Gardner Group, maker of components for the heating and ventilating industry which was floated on the Third Market last July, is to acquire Axis-minster and Contracting Com-

minster and Contracting Components.

Axisminster will be acquired through the issue of 3.52m ordinary shares and 200,000 4 per cent convertible preference shares and Contracting Components through the issue of 715,000 ordinary shares.

J. Gardner increased pre-tax.

J Gardner increased pre-tax profits 27 per cent more than forecast at the time of the flo-tation to \$508,728 on turnover

of \$5.84m in the year to end-October 1987.

This compares with a pre-tax figure of \$209,749 on turnover of \$4.4m (comparisons are for 1986). A final dividend of 0.75p

Nobo buys

revised bid spurned by **Birmid**

By Michael Smith

Birmid Qualcast, lawn-mower, boiler and cooker group, yesterday rejected a revised takeover bid from Blue Circle. It said tho coment company had failed to make a credible case for a merger. Blue Circle meanwhile

Blue Circle meanwhito increased its stake in Birmid from 23.5 to 29.7 percent. As holders of a further 1.1 per cent of the shares have already accepted the effer, it effectively owns or controls 30.3

tively owns or controls 30.3 per cent.

"They have picked up the loose ends," said Mr Alan Emson, Birmid finance director. "It is down to the hard core now and we think we have an excellent case."

Birmid's rejection of Bine Circle's £275m offer came yesterday morning after two hours of secret talks between the two companies on Tursday night failed to produce an agreement.

Mr Emson said Bine Circle had pitched the offer at a tantalising level and the bid battle would be a "finely balanced thing."

Nonotheless the board was united in its belief that 380p undervalued the company and that Birmid's prospects would be dimin-

prospects would be diminished as part of Bine Circle.
Mr David Poole, Bine Circle managing director, said the acceptance level indicated that Birmid shareholders were "coming our way. We still have to reach

56 per cent but we are going to win."

Birmid believes it has a loyal group of charcholders to rely on and is encounaged by the holdings of 17 per cent of the equity by M & G Securities and 6 per cent by the Productial.

Mr James Loudon, Blus Girele finance director, said

Mr James Loudon, Blus Circle finance director, said that if Bina Circle won the takeover bid, Birmid would enhance group earnings per share in the first year.

Bine Circle's offer, which closes a forthight on Saturday, is final assuming no other bidder emerges. It has reserved the right to make a partial share alternative. Birmid will shortly be sending out a letter to sending out a letter to shareholders explaining its rejection decision.

Blue Circle | New war of words as Elf claims 8% of Tricentrol

The field is also producing the professional qualifications of James Capel, which it described as a firm of UK stockbrokers, in comparison to the technical expertise of ERC—the independent firm that valued Tricentrol at 234p per share.

Elf immediately hit back at the implications of the Tricen—See also p33

Elf Aquitaine, the French oil group, yesterday said it had received acceptances for its offer for Tricentrol, the UK independent oil company, amounting to 0.46 per cent of Tricentrol's share capital, raising Elf's stake to 8.01 per cent. The amouncement touched off a war of words between the two companies, with Tricentrol urging shareholders to ignore a vanistion of Tricentrol issued by Elf on Monday, which said the company was worth 68.5p per share.

Tricentrol described the valuation as 'indicrous' and said that the valuation, performed by the Petroleum Services Department James Capel was 'fundamentally flawed.'

Tricentrol further attacked the professional qualifications of James Capel, which it the valuation of James Capel, which it to rise to 70,000 b/d next month.

Elf bas an interest in the

BP issues details of improved Britoil offer

BP yesterday sent to share holders the details of ite improved 500p-per-share cash offer for Britoil, the UK's largest independent oil company.

BP has nearly 30 per cent of Britoil shares, and has received shareholders to take no action.

BP reaffirmed yesterday that the increased offer was not conditional on discussions with the per cent stake.

A part share alternative to per cent stake.

A part share alternative to ment's epecial share, which the offer was also increased to gives it control over the Britoil one BP ordinary share plus board. The special share was 240p cash for each Britoil designed to preserve Britoil's share.

Publishing Hldgs hit by stock market fall

Publishing Holdings, one of the first companies to be traded on the Third Market, amounced yesterday that the fall in the stock market had had a severe impact on the company's trading performance in pany's trading performance in November and December. The effect on this year's results would be "sharply detrimental." Subscription and advertising revenues on some of the company's stock market-related newsletters such as the City Newsletter and What Invest-

Allied is the largest of NFC's three major US acquisitions since the company was sold by the Government to a management-led employee buy-out in 1989

The others were Merchants

Home Delivery Services, a California-based furniture deliverer, and Dauphia Distribution, an East Coast distribution and

an East Cost distribution and warehousing company.

In addition, Pickfords set up a joint venture in Japan last year with the Shibusawa ware-housing and removals groop. NFC pulled out of an option to buy the Four Winds Enterprise.

newsletters such as the City Newsletter and What Investtion, there have been delays in tion, there have been delays in establishing the Sharecall tele-phone service and the threat of a postal strike held back sales of the Database mailing service in the weeks leading up to Christman as well as Europe and North

Shares in Publishing closed 5p lower at 20p.

Kunick gains

USM quote

By Heather Farmbrough Kunick, health care and entertainment group, has come to the USM nearly a year after it first announced it would be

it first announced it would be seeking a quotation.

The company was introduced by stockbrokers Sheppards. Until last night its shares were traded under Rule 535 (2) on a matched bargain basis. Latest dealings in the shares were at 28p-40p, capitalising Kunick at £35m. No new shares are being issued.

issued.

The directors hold 33 per cent of the shares.

Goode Durrant

Mr Michael Waring - chairman of Goode Durrant, finance, motor distribution and house-building group - and his family have bought another 1.8m shares in the company to increase their stake from 6.1 per cent to 9.8 per cent. per cent to 9.8 per cent.

The companies believed they now had the capability to bid to be prime contractors for major weapoo system projects, such as missile systems, command, Lowe Howard in Spanish deal

BY ANDREW HILL

Lowe Howard-Spink and Bell, international advertising group, is expanding into Spain for the first time, with a con-trolling stake in Dos Por Dos, The Takeover Panel, the City watchdog on bids and deals, is expected to put out a statement an advertising agency.

Through its advertising network, Lowe International, the group is buying an initial 51 per cent of Dos Por Dos for about \$1.8m in cash, subject to today, concerning the \$2bn bid by Barker & Dobson, sweets and supermarket group, for Dee Corporation, the much completion of an audit.

The contract allows for the acquisition of a further 32.66 per cent of the Spanish agency by 1991 for a cash amount aspects of the offer in the wake of charp criticisms by Dee and its financial advisers about the financing structure of the bid. dependent on profits in the A decision was taken by the Trade Secretary last week not to refer the offer to the Monop-

ure was achieved on turnover up from \$30.66m to \$40.02m.

This is a comparatively modes est deal for Lowe – last September the company paid \$24.7m (then worth £15.1m) for New York agency Laurence, Charles, Free and Lawson, However, Mr Frank Lowe, chairman, was worried that his agency would miss out on the growing Spanish market.

It took Lowe 18 months to find a suitable partner in Spain

The Spanish agency operates in Barcelona and Madrid, and Lowe plans to open a second agency in the capital.

Dos Por Dos'e pre-tax profits for 1987 are expected to be about Pta 95m (£475,000) on turnover of more than Pta 25m.

For the year to December 1986 Lowe made made agency operates in Barcelona and Madrid, and Lowe plans to open a second agency in the capital.

Bos Por Dos'e pre-tax profits for 1987 are expected to be about Pta 95m (£475,000) on turnover of more than Pta 25m.

For the year to December 1986 Lowe made made agency operates in Barcelona and Madrid, and Lowe plans to open a second agency in the capital.

For 1987 are expected to be about Pta 95m (£475,000) on turnover of more than Pta 25m.

For the year to pre-tax profits for 1987 are expected to be about Pta 95m (£475,000) on turnover of more than Pta 25m.

find a suitable partner in Spain and Dos Por Dos told the company that it had beaten eight other European agencies to the deal. The UK company believes the partnership will strengthen its ability to serve multina-tional clients.

ness since October, domestic

corporate markets continued to be active and demand for other

For the year to December 1986 Lowe made pre-tax profits of \$7.32m on turnover of

\$214.5m. During 1988, Lowe will be looking to acquire another agency in the US, and expansion in the Far East is a possibility for 1989.

Tex disposal

Tex Holdings, an industrial holding company, has agreed to dispose of its freehold premises in Colchester, Essex – known as Hermes works – to Hunting Gate Homes for a cash consid-eration of £1.1m.

Last September the property acquire Perforex, maker of was valued by Fenn Wright Spurlings at an open market valuation of \$750,000.

is proposed.

Nobo Group has agreed to

NFC buys third US remover

National Freight Consortium, the employee-owned transport and distribution group, yesterday announced that it had completed the acqui-sition of Allied Van Lines of the US for \$100m (£56m).
Allied, based in Chicago, is a

leading US removals company with a turnover of \$600m (\$339m). The company is controlled by 790 agents throughout the US.

The agreement provides for the agents to purchase shares in NFC worth up to \$20m. This would amount to a maximum of per ceot of the expanded

share capital.

NFC said the precise extent of dilution would depend on the rate of take-up, and the price of shares on the group's internal

ing area for the stock.

It was also unclear whether the agents would be able to deal

Singapore and the Middle East, as well as Europe and North America.

Allied is the largest of NFC's the agents would be able to deal in shares oo the internal market after the issue. This requires approval from shareholders at NFC's annual meeting in February.

NFC said the acquisition of Allied was "the vital link" which would establish the first ceotrally-owned worldwide removals network.

This will be achieved by

This will be achieved by merging Allied's North Ameri-can activities with NFC'e Pick-fords Removals subsidiary,

which is one of Europe'e largest removals companies

The merged operation will have bases in Australia, New Zealand, Japan, Hong Kong,

Optical Medical up 11%

Optical & Medical Interna-tional (formerly Watsham's) reported pre-tax profits up 11 per cent to £2m in the six months to end-September 1987

per cent to \$2m in the six months to end-September 1987 on immover up 33 per cent to \$19.03m (£14.3m).

O&M, manufacturer of optical, medical and technical products, has completed two rights issues in the past 20 months,

which have helped the group to grow rapidly by acquisition.

Earnings per 5p share rose to 4.6p (4.3p), after tax of£692,000 (£631,000), Extraordinary items less tax accounted for £517,000 (£15,000).

(£15,000).

An initial investment of £1 in 1982 is now worth £47, after 1.5p, up from 1.35p last time.

bry the Four Winds Enterprise-removals company of San Diego, however. NFC's 35,000 shareholders-including about 22,000 employ-ees - will also decide at the annual meeting whether to float the group on the Stock Exchange. A series of regional share-holders meetings has indicated that support for flotation is softening, largely because of concern that the value of employee-boldings could be reduced.



EVERED HOLDINGS PLC

£75,000,000

COMMITTED REVOLVING CREDIT FACILITY

Arranged by BARCLAYS de ZOETE WEDD

National Westminster Bank Group

Grindlays Bank p.l.c.

December, 1987

Annual General Meeting Thursday 28 January 1988, 12-30 p.m. at Stationers' Hall, Ave Maria Lane, London EC4.

Provided by

Lloyds Bank Plc

Barclays Bank PLC

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Midland Bank plc

Expansion lifts WH Smith 16%

Pords

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Market Stranger Stran

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V.

WH Smith Group annous will Smith Group announced yesterday pre-tax profits up 16 per cent to £30m for the six months to November 28 1987 on turnover increased by 13 per cent to £777m, against £687.5m. Sir Simon Hornby, chairman, said the profits had been increased against a background of expansion both at home and abroad. home and abroad.

home and abroad.

in the current year he expects to see a loss of pre-tax profit of \$1.5m due to News international's reorganisation of its provincial newspaper distribution business: A further \$1.5m shortfall is expected in London as a result of rationalisation and reorganisation. Mr Malcolm Field, managing director, said he was confident the company would recover the losses by cutting costs and company would recover the loases by cutting costs and increasing sales, particularly the sale of Sunday newspapers. Profits from the sale of books, stationery, news and recorded music rose by 27 per cent to \$18.4m, while DIY profits increased by 22 per cent. its increased by 38 per cent. The distribution activities raised profits by 9 per cent to £10.8m, while television ser-



Smith's men at the top – Malcolm Field (left) and Sir Simon Hornby, managing director and chairman respectively.

increase on previous trends. Volumes rose by 5.9 per cent.

Margins were helped by the Electronic Point of Sales equipment (EPOS) which has now been introduced into 163 stores. Early indications are that sales from the 11 refurbished stores are greater than expectated.

\$10.8m, while television services incurred a pre-tax loss of \$1.2m (£800,000 profit), /as sequired for £43m in 1986, expected.

Sir Simon said that in the 374 increase in sales, against a high street stores, "There has been an enormous improvement are now 189 shops in the UK, in staff and space productivity." Sales rose by 11.2 per cent open in Stirling during the second of the period, a small ond half.

WH Smith's other specialist retailing businesses include Paperchase, the stationery chain and Sherratt & Hughes, the bookseller. Paperchase is going well, according to Sir Simon, and 12 more stores are

Simon, and 12 more stores are expected to take the UK total to 22 by the end of the year.

WH Smith is also adding to its 174 travel departments within and outside the high street shops. Since the end of the period, the group has acquired two travel chains in the UK and one in Hawai. The company intends to have 500 travel shops in the UK.

Margins have continued to Margins have continued to

rise at Do-It-All, the DIY subsidiary. This should continue as EPOS is introduced into more stores, further refurbishments are carried out and the proportion of own brand sales rises from 12 per cent to 20 per cent this year. Half the stores are open on Sunday. By March, there should be 100 stores. Although the company believes Although the company believes it can continue to open more stores for some time, increasing competition in certain areas has adversely affected some of

in Canada, where WH Smith has opened eight Paperchase stores and has three bookshop chains, pre-tax losses have been reduced from \$337,000 to \$15,000. In the US, where WH Smith has 275 shops at airports and batels profits are former.

Smith has 275 shops at airports and hotels, profits rose from \$1.9m to \$3.1m.

Sir Simon said the company still wanted to pull ont of bookclubs and was talking to the Director of Fair Trading about the veto on the proposed sale of its 50 per cent stake in Book Club Associates to Bertelsmann, the West German publishing the West German publishing the West German publishing

The company still intends to finance £96.5m capital expenditure this year from cash flow, although the sale of BCA would have brought in \$69m. "It has curtailed our ability to expand the business short term," said

See Lex

TSB England grows 27%

TSB England & Wales yester-day announced a 1987 operat-ing profit of £165.9m, 27 per cent above the 1986 figure of

The bank's managing director, Mr Leslie Priestley, said there had been 'substantial lar growth' in all sectors. Total peassets of the bank, which is a part of the UK TSB Group, increased by \$120m to \$11.32bn.

Current and deposit accounts browners. Current and deposit accounts rose by 22.6 per cent, and capi-tal and reserves rose by 6 per

Daejan Int Ferranti int J Gardner Gp 🛡 fin

Hey & Croft § ___fin 2.55
Hodgson Hidgs § ___fin 1.37
Misys § ____int 1.2
Newman Tonks ___fin 4.5
Optical & Med ____int 1.25
Smith (WH) 'A' ___int 3
Smith (WH) 'B' ___int 0.6
Williams Lea • ___fin 15

TODAY

SALES

The results suggest that TSB England & Wales is on course in its efforts to establish itself as a presence in the retail banking sector despite its weakness in the south east of England.

The bank now has the third largest share at 17.6 per cent of personal banking customers with current or deposit

improvement of the bank's branch network is under way with 47 sites acquired in the past year for the relocation of branches. A further 79 new

5 0.6

Total for year

0.75

2.55 2.3

7.7**†**

4.

A YEAR OF RECORD SALES AND EARNINGS

Net income in the fourth quarter more

than double last year's from US\$13.9 million to

★ Company debt trops US\$262 million during the year.
 ★ Coated paper consumption rose faster than expected; two price rises obtained in the second half of the year.
 ★ Prices for all major product lines increased on

Chairman and Chief Executive A.P. Gammie reflecting on the company's performance in 1987, felt that "It was a fine year, a year of fruition as many of our

recent investments began to yield substantial returns, helping us to achieve our planned strengthening of the Company balance sheet. Turning to the coming year he felt that there were excellent prospects ahead, commenting, "We enter 1988 with

US\$ 1,231.0m

US\$81.1m

US\$2.12

year

DIVIDENDS ANNOUNCED

Mar 14 Mar 14

Dividends shown pence per share net except where otherwise stated. "Equivalent after allowing for scrip issue. JOn capital increased by rights and/or acquisition issues. §USM stock. •Unquoted stock. •Third market.

BOARD MEETINGS

branches outside London and the modernisation of 11 London branches is planned this year. Mr Prieatley yesterday emphasised the progress that TSB England & Wales is making in the corporate sector by con-centrating on middle market firms with turnover of £10m or

He said corporate lending had grown to more than \$700m in the past year.

Courtaulds to sell F&H subsidiary

Courtanlds, textiles and chemicals group, is to dispose of a subsidiary of Fothergill & Harvey, following a major strategic review of the speciality fibres company which it acquired in February last year. The division concerned is Fothergill Engineered Surfaces which is engaged in the proviwhich is engaged in the provi-sion of metal surface coatings and treatments. It has a turn-over of \$5m and is a significant contributor to the F & H group but is not seen by Courtaulds as one of the core businesses in

the longer term.
Courtaulds believes that FES may have better prospects under different ownership and it "will endeavour to find the best opportunity to develop those prospects.

Henderson Admin.

Henderson Administration fund management group, will seek shareholders' approval for the general authority to pur-chase up to 1.05m of its own

US\$919.7m

US\$90.9m

US\$49.4m

US\$1.49

GrandMet ADR facility in New York

Grand Metropolitan, food, drinks and hotels group, announced yesterday that it has established a sponsored American Depository Recelpt (ADR) facility in New York with Morgan Gnaranty Trust. No new shares are being issued with the launch of the facility.

The company said the list-

The company said the list-ing was a step in the pro-cess of internationalising its shareholding base and the level of interest would help it decide whether to apply for a full US listing

apply for a full US listing next year.

Currently over half GrandMet's sales are outside the UK, but under 5 per cent of its equity is held overseas. Company executives will be visiting France, Japan, and Switzerland over the next few months, as well as the US, to tell investors about the group.

Pilkington in Taiwan link

Pilkington is to join Taiwan Glasa and Nippon Sheet Glass in a joint ven-ture antomotive safety glasa plant in Talchung, Taiwan. Taiwan Antoglass will have an anthorised share capital of 400m new Taiwanese dollars (about

57.8m).

An initial 75 per cent of this will be subscribed at a cost to Pilkington of 73.5m new Taiwaneae dollars (about \$1.4m).

Canning expands in Germany

W Canning, the chemicals, metals, ciectronics and medmetals, electronics and medical services group, has purchased the assets and goodwill of Domsel Dichring, a West German manufacturer of radial seals for engineering and consumable equipment applications.. The future business will trade under the name of Domsel under the name of Domsel. The purchase consideration was £1.2m. In 1986, Domsel had sales of approx-imately £1.1m and pre-tax profits of £200,000.

Philip Harris acquisition

Philip Harris (Holdings) has conditionally agreed to acquire Northern Media Supply and its two subsi-diaires. Initial consider-ation will be \$400,000 for the ordinary shore of the ordinary shares of Northern Media to be satis-fied by £240,000 cash, £100,000 in loan notes and 50,517 new ordinary shares. Further consideration is to a maximum £785,000 depending on Northern Media's profits to March 1990. Northern Media's assets were £97,000 on December 31 and pre-tax profits amounted to £4,042 in the year to April 20 1987. in the year to April 30 1967.

US\$ 75,000,000 ing Rate Motes Due July 1908 Notice is hereby given that the rate of inferent for the period 25th January, 1988 to July, 1988 has been found at 5th per arruph.

On the 25th July, 1988 inferent of US\$ 40.44 per US\$ 1,000 nominal emount of the Notes, usit 10.000 nominal arrount of the Notes, and US\$ 222.22 per US\$ 50,000 nominal emount of the Notes, will be due against interest Coupon No. 14.

SWISS BANK CORPORATION INTERNATIONAL LIMITED Agent Bank.

THE ROYAL BANK AND TRUST COMPANY

Acquisitions of Corporate Trust Business by First Interstate Trust Company of New York

Notice is hereby given that on January 27, 1988 First Interstate Trust Company of New York has acquired from The Royal Bank and Trust Company substantially all of its corporate trust business. First Interstate Trust Company of New York, Corporate Financial Services, 2 Broadway, 29th Floor, New York, NY 10004 will succeed The Royal Bank and Trust Company as Trustee or paying agent or registrar or co-paying agent for the following issues:

NAME OF COMPANY

ABELECTROLUX ABITIBI-PRICE INC AMCA INTERNATIONAL CORPORATION AMCA INTERNATIONAL CORPORATION

AMERICAN EXPRESS BANKLTD.

AMERICAN EXPRESS CREDIT CORPORATION
AMERICAN EXPRESS OVERSEAS CREDIT
CORPORATION LIMITED AMERICAN EXPRESS OVERSEAS CREDIT

CORPORATION N.V.

AMERICAN EXPRESS OVERSEAS CREDIT

CORPORATION N.V.

ATLAS COPCO .
AUSTRALIAN TELECOMMUNICATIONS

AVCO FINANCIAL SERVICES LTD. AVCO FINANCIAL SERVICES LTD. BANCOMER S.A.

CANADIAN PACIFIC SECURITIES LIMITED CANADIAN PACIFIC LIMITED

COLES MYER LTD. (formerly G.J. Coles & Coy. Limit COLES MYER LTD. (formerly G.J. Coles & Coy. Limited)
COLES MYER LTD. (formerly G.J. Coles & Coy. Limited)
COMMONWEALTH BANK OF AUSTRALIA COMMONWEALTH BANK OF AUSTRALIA CONSOLIDATED-BATHURSTING. CREDIT FOR EXPORTPLC

CYDSAS.A. DIE ERSTE OESTERREICHISCHE SPAR-CASSE DIE ERSTE OESTERREICHISCHE SPAR-CASSE

FARM CREDIT CORPORATION FARM CREDIT CORPORATION
FARM CREDIT CORPORATION GTE FINANCE N.V. GTE FINANCE N.V. H. J. HEINZ COMPANY

HOLLAND AIRLINES FINANCE N.V.

I CINDUSTRIES FINANCE CORPORATION N.V. I CINDUSTRIES FINANCE CORPORATION N.V. I CINDUSTRIES FINANCE CORPORATION N.V. INCO LIMITED INTEGRATED RESOURCES INCORPORATED INVESTMENT ABBELIER

IU INTERNATIONAL CAPITAL CORPORATIONN.V. PROVINCE OF MANITOBA

PROVINCE OF MANITOBA

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MONTREAL URBAN COMMUNITY
MONTREAL URBAN COMMUNITY
NORTHERN TELECOM INTERNATIONAL

NORTHERN TELECOM INTERNATIONAL FINANCE B. V. PROVINCE OF NOVA SCOTIA OESTERREICHISCHE POSTSPARKASSE OESTERREICHISCHE POSTSPARKASSE OESTERREICHISCHE LÄNDERBANK AKTIENGESELLSCHAFT PETRO-CANADA INC.

RORER GROUP INCORPORATED

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LIMITED SUNCOR INCORPORATED
TASMANIAN PUBLIC FINANCE CORPORATION TRUSTHOUSEFORTE PLC THE CITY OF VIENNA WESTPACBANKING CORPORATION

WOOLWORTHSLIMITED ZENTRALSPARKASSE UND KOMMERZIALBANK, WEIN

The Royal Bank and Trust Company Dated: 28th January, 1988

ISSUE DESCRIPTION

US\$ 200 million Multi-Tranche Cap. Notes US\$ 50 million 154% Debentures Series 1 due 1991 US\$ 60 million Retractable Debentures due 1998 US\$ 50 million Guaranteed Retractable Debentures due 1999 USS 200 million Floating Rate Subordinated

Capital Notes due 1999 US\$ 200 million 75/4% Senior Notes due 1993

£40 million 10% Notes due 1994

CAN\$ 50 million 1214% Guaranteed Notes due 1991

CAN\$ 60 million 9% Guaranteed Bonds due 1994 Medium Term Note Programme

AUS\$ 60 million 13% Notes due 1992 AUS\$ 35 million 14% Notes due 1990 AUS\$ 40 million 13½% Bonds due 1993 US\$ 60 million Subordinated Floating Rate Notes

due 1986-90 US\$ 75 million 15% Guaranteed Notes due 1989 US\$ 75 million 145/2% Collateral Trust Bonds

due 1992 AUS\$ 100 million 131/8% Notes due 1991 AUS\$ 35 million 131/8% Notes due 1998 AUS\$ 25 million 131/4% Notes due 1990 AUS\$ 50 million 131/4% Notes due 1990

AUS\$ 35 million 1234% Notes due 1989 US\$ 60 million 174% Series 1 Debentures due 1988 US\$ 155 million Unsecured Floating Rate Notes

due 1992 US\$ 50 million Floating Rate Notes due 1988-91 US\$ 50 million Floating Rate Notes due 1992-94 US\$ 40 million Subordinated Floating Rate

Notes due 1992 YEN 15,000 million 83/4% Bonds due 1990 CAN\$75 million 124% Bonds due 1990

US\$75 million 111/8% Notes due 1993 US\$ 75 million Retractable Notes due 1997 US\$ 75 million Retractable Notes due 1996 US\$ 75 million 71/2% Notes due 1996 with Warrants

to purchase US\$ 75 million 71/2% Notes due 1996 US\$ 100 million 121/4% Guaranteed Bonds due 1991 and Warrants to subscribe to US\$ 100 million 1134% Guaranteed Notes due 1991 US\$ 100 million 8%% Guaranteed Notes due 1991

US\$ 75 million 111/8% Retractable Notes due 1998 US\$ 75 million 12% Guaranteed Notes due 1990 £50 million 1234% Notes due 1993 US\$ 45 million 10% Senior Notes due 1999

US\$ 30 million 9% Senior Notes due 1990 with Warrants to subscribe for 900,000 Series A Free US\$ 85 million Retractable Floating Rate Notes

US\$ 100 million 101/2% Debentures due 1990 Series AA US\$ 125 million 11¼% Debentures due 1989

Series 11N US\$ 100 million 1334% Debentures due 1989 Series 11L

US\$ 75 million 91/2% Debentures due 1989 Series 10W

US\$ 75 million 12% Notes due 1990 US\$ 150 million Floating Rate Notes due 1991

US\$ 50 million 10% Debentures due 1990 US\$ 100 million 8% Debentures due 1989 US\$ 75 million 10% Notes due 1990 US\$ 75 million 1214% Notes dne 1989 US\$ 100 million 131/2% Subordinated Notes

due 1989 US\$ 125 million Floating Rate Notes due January 1995

US\$ 250 million Convertible Subordinated Debentures due 2001

US\$ 150 million 8½% Deposit Notes due 1993
US\$ 150 million 11½% Deposit Notes due 1990
US\$ 100 million 11½% Deposit Notes due 1990 and
100,000 Warrants to purchase US\$ 100 million
11% U.S. Treasury Notes due 1990
US\$ 100 million 11½% Deposit Notes due 1989
US\$ 100 million 12½% Deposit Notes due 1992
and 150 000 Warrants to purchase US\$ 150 million

and 150,000 Warrants to purchase US\$ 150 million 121/2% Deposit Notes due 1992 US\$ 350 million Floating Rate Debentures due 2005

US\$ 300 million Floating Rate Debentures due 2085 US\$ 100 million 111/4% Guaranteed Bonds due 1993 US\$ 125 million 71/2% Notes due 1991 US\$ 150 million 81/2% Notes due 1991 US\$ 100 million 101/2% Notes due 1992 US\$ 100 million 111/2% Notes due 1989

US\$ 125 million 1034% Notes due 1990 US\$ 150 million 15% Bonds due 1992 US\$ 125 million 16% Notes due 1989 US\$ 40 million 1712% Series W Secured Debentures due 1988

AUS\$ 43 million 131/4% Bonds due 1993 US\$ 75 million EW% Notes due 1991 CAN\$ 81.6 million 134% Bonds due 1994 AUS\$ 50 million 134% Subordinated Bonds

US\$ 75 million 12%% Debentures Series B due 1991

AUS\$ 30 million 137/8% Notes due 1990 US\$ 50 million 10¼% Subordinated Bonds due 1995

SPONSORED SECURITIES

	*	die (n)	Change	Price	Company	Low	Hich
6.9		8.9	0	1R5	Ass. Brit. Inci. Ordinary		
			_		ASS. DAY. HOL OPERATY	135	
1	53	10.0	0	188	Ass. Brit. Ind. CULS		207
	-		0	25	Armitage and Rhodes		41
8.8		21	0	55	BBS Design group (USM)	40	142
26.5		2.7	0	155	Bardon Group		
11.5	3.3	4,7	+1	144	Bray Technologies		
6.3	4,7	,11.5	0	246mi	CCL Group Ordinary		261
	11.6	15.1	+1	128	CCL Group 11% Conv.Pref	99	147
31.3	4.1	3.4	0	130	Cartorundun Ordinary	130	171
	10.6	20.7	+1	101	Carborundum 7.5% Pref	91	204
4.3		3.7	+2	169ed	George Blair		180
_	_		ō	68	Bils Group		143
10.2	3.7	3.4	.1	92mi	Jackson Group		104
13.3		7.5	+5	335	Multihouse NV (ArrestSE)		780
11.5		2.7	Ť	57	Record Haldings (SE)		88
	126	14.1	+2	112	Record Hides 10% Pref (SE) _		115
2.4	نعمد	24.2	Ť	50	Robert Jenkins		91
	4.4	5.5	ŏ	124ses	Scritton		124
	34	55	ŏ	197			224
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			+3	63	Trevian Holdings (USM)		
1170		2.8	0	60	Unitoet Holdings (SE)		231
11.5		5.9	0	155	Walter Alexander		264
22 I		17.4	+1	223	W.5 Yestes		220
120	4.2	5.5	0	231	West Yorks. Ind. Hosp.(USM)	67	170

Granville & Company Limited 8 Lovat Lane, London EC3R 88P Telephone 01-621 1212 Member of FIMBRA

Granville Davies Coleman Limited 8 Lovat Lane, London EC3R 8BP Telephone 01-621 1212 Member of the Stock Exchange

Daejan Holdings

INTERIM STATEMENT Results for the half year ended 30 September 1987 — unaudited

6 months

	30.9.87 £'000	to 30,9,86 £'000
Rent and Service Charges less Property Outgoings	5,262	4,481
Surplus on Sales of Properties and Other Income	10,711	6,61 <u>8</u>
Financing Charges and Other Expenses	2,601	2,405
Group Profit before Tax	13,372	8,694
Less Taxation	4,850	3,200
Minority Interests	10	14
Profit for the Half Year	£8,512	£5,480
Earnings Per Share	52.23p	33.62p

An Interim Dividend of 8p per share (1987 – 5p) will be paid on 16 March 1988 to shareholders registered on 18 February 1988. This dividend will absorb £1,304,000 (1987 – £815,000).

The increase in the Interim Dividend is to reduce the difference between the Interim and Final payments and should not be taken as an indication of any increase in the total dividend for the year. Although property sales during the second half year are expected to be lower than those in the exceptionally buoyant first half, present indications are that Group profits before tax for the full year to 37 be lower than those in the exceptionally buoyant first half, present indications are that Group profits before tax for the full year to 31 March 1988 will not be less than those of the previous 12 months.

1st January 1988.

strong markets, higher prices and costs under good control."

THE AMERICAN PAPER PEOPLE WITH A SOLID BASE FOR GROWTH

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our continuing strong commitment

UK COMPANY NEWS

Engineering side behind 21% Newman Tonks rise

Newman Tonks, the building supplies group, yesterday reported a 21 per cent increase in pre-tax profits from \$11.6m to \$14.06m in the 12 months to end-October. Sales declined slightly from \$134.1m to \$129.2m

\$129.2m
The figures take in results from two major acquisitions which were made in 1986-87 — Quality Hardware, based in Hawthorne, near California, which was purchased for \$10m in December 1986, and Birmingham-based Peerless for \$27m in April.

Newman has subsequently sold on companies within Peerless which did not fit with its stategy, raising £7.8m. Both acquisitions have been merger-accounted.

At the earnings per share

accounted.

At the earnings per share level, therefore, there was an increase from 11.33p to 13.3p and - after a final payout of 4.5p a share - the total dividend goes up by 7 per cent to 7.7p.

and - after a final payout of 4.5p a share - the total dividend goes up by 7 per cent to 7.7p.

Newman said yesterday that profits growth at the existing companies - stripping out the effect of acquisitions - was of the order of 20 per cent. The cootribution from Peerless was around £3m, compared with some £2.5m taken in for \$808,000 extraordiary item, 1985-86. The most significant contributions to profits growth contributions to profits growth in 1986-87 came from the New-man Tonks Engineering divi-sion, which makes Briton door control systems, and US-based

Newman Tonks

comment

Newman Tonks is not the most heavily-followed company, but yesterday's figures held few surprises for the faithful. The company seems unruffled by stock market events - suggesting both that current trading is buoyant, with US/Europe offering good growth prospects, and that it has no intention of abandoning the sequisition trail. On the former score, the "brand name" element seems to have allowed price rises well shead of inflation - perhaps around the 7 per cent mark overall - to be pushed through last year, with something similar anticipated for the current 12 months. On the last year, with Monarch Hardware, manufuscion turer of emergancy exit devices. Around 20 per cent of profits now come from the US.

The pre-tax flowers are the common similar anticipated for the current 12 months. On the latter, NT's name has been linked most publicly with door manufacturer Henderson; in profits now come from the US.

The pre-tax flowers are the current intentions in the pre-tax flowers are the current intentions. inked most publicly with door turer of emergancy exit manufacturer Henderson; in devices. Around 20 per cent of profits now come from the US.

The pre-tax figure was scored after an interest charge of \$874,000 (against £1.5m in 1985-86). The company said that the figures benefited by £100,000 from a pension fund holiday, but that this sum was more than offset by payments to former directors.

Below the line, there was an £808,000 extraordiary item, comprising the costs of acquistions and the net costs of discontinued activities — down sharply from last time's £4.46m charge. The tax charge ran out at £5.5m (£4.3m).

Property

Security

improves

to £1.96m

Property Secarity investment Trust, a holding and investment company dealing in both property and securities, achieved pre-tax profits of £196m in the half year ended September 30 1987 compared with a previous £1.85m.

An interim dividend of 1.25p (1p adjusted)) will be paid and the directors forecast a final 1.75p (1.4p) for an increased total of 3p (2.4p). Earnings for the six months worked through at 1.56p (1.48p) per 50p share after tax of £610,000 (£570,000).

Rents received rose from £4.4m to £4.61m and net property and investment income was a higher £4.46m (£4.31m) after administrative expenses. Interest charges were down slightly at £2.11m (£2.19m) but dealing losses rose from £272,000 to £392,000. The directors said that the nature of the company's property dealing was such that the half year dealing results could not be taken as a guide to the foll year figures.

figures.
In the US a dealing subsidiary of the company had recently acquired 100 acres of land in Orlando, adjacent to Disneyworld, directors said. Mixed planning approval was being sought.

The company had also sold its office block in Brussels.

Year-end advance for Camford Eng

Camford Engineering lifted taxable profits from \$2.6m to \$3.1m in the year to September 30 1987.

30 1987.
The result was achieved on turnover of \$67.5m, up from \$53.8m last time. Tax took \$838,000 (\$363,000). A single dividend of \$p\$ is proposed for the year (2.5p) from earnings of 12.03p (11.58p).
The directors expressed confidence in the group's prospects

fidence in the group's prospects for both the current year and

Yearlings

Yearling bonds totalling £1m at 9% per cent, redeemable on February 1 1989, have been issued by the following local authority: Hillingdon (London

Record orders as Kemp beats profit forecast

P E Kemp Holdings, quoted on the Third Market, reported pre-tax profits up 42 per cent to £302,907 in the year to end-October 1987, against the fore-cast of £296,000 in the group's prospectus issued last October. Kemp is engaged in the design, engineering and con-struction of stage sets for the-atres, exhibitions and television and the directors said that design, engineering and construction of stage sets for the atres, exhibitions and television and the directors said that order books in all group companies — approved by share holders at the extraordinary meeting on December 17 last—Turnover almost doubled to £2.92m (£1.61m). Tax took £1.92m (£1.61m). Tax took £1.92m (£1.61m). Tax took £1.92p. No dividend is proposed for the period, but the directors expect to be able to recommend a payment for the current year.

Tresources.

They explained that the investment portfolio.

They added that many oilfield service companies had recently recorded substantially reduced losses, which looked set to continue.

After tax of £15,720 (£435,430), the loss per share is given as 3p (0.61p). There is again no dividend.

Revenue for the year.

Net assets, as at September 30 last, were £3.05m, compared with £1.08m, while the pre-tax

North Sea Assets falls £0.38m into the red

North Sea Assets, Edinburgh-based investment group,
incurred pre-tax losses of (£575,791).

\$2375,480 for the year ended September 30 1987, against profits of £508,179, but the group had directors said this did not represent an indication of the performance prospects from the group's current balance sheet resources.

They explained that the group's capital reconstruction

They added that many oil-

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All of which isn't to suggest that life isn't possible without KDD. Just that, in countless ways, communication wouldn't be as easy.

And that may be worth considering the next time you've got something important to say,



proves £1.96m

- Li.,

the the Artified Eng

144 5 122

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Hodgson Holdings, the acquisitions acquisitive funeral director quoted on the Unlisted Securities Market, beat expectations with pre-tax profits nearly trehling from £840,000 to £2.31m in the year to October. Mr Howard Hodgson, chairman, said an aggressive acquisition policy remained the most practical means of stimulating growth in a business which relies on family loysity and personal recommendation.

Hodgson, the country's eecond largest funeral director after the Co-op, bought 14 busi-

after the Co-op, bought 14 businesses during the financial year. Adjusted for a full year, the enlarged group would have increased the number of funernesses during the financial year. Adjusted for a full year, the enlarged group would have increased the number of funerals by 21,156 to about 27,000.

Ingalis Group — bought from House of Fraser in June — conducts about 13,500 funerals a long a function of the state of the number of funerals and Daimlers. The undertaker will pay \$1.7m in part exchange for the new cars. Hodgson's subsidiaries will ship with family clients. The

Profits from housebuilding

and associated activities accounted for \$1.44m of the

A strong level of demand for high quality houses and flats across the group's range saw turnover for the year push

pre-tax total

In the current year the com-pany has hought five smell funeral businesses and Mr Hodgson plans to announce another 15 acquisitions during the year. The total cost should be between 26m and 27m in cash and the purchases should increase the number of funerals by a further 8.000 per annum. by a further 8,000 per annum.

Strong demand at Hey & Croft

range.
Land available for develop-

sion.
Earnings per 10p share for the year under review totalled 13.8p, of which the group's housebuilding and associated activities accounted for 13.8p.

As promised, shareholders are to receive a dividend of 2.56p.

Apart from the potential depression of the second-hand hearse market, Mr Howard Hodgson's lively acquisition and rationalisation policy should keep the company in favour and profits advancing. Hodgson's future lies in raising the returns on funerals, currently a handsome £160 per returns on finerals, for example, already share expen-

The directors said yesterday that the recent turbulence on world stock markete had not

adversely affected group busi-

ness.

Since flotation land for 175 units had been purchased in Buckinghamshire, Cambridgeshire, Essex and Norfolk. An option on 20 acres of land at Ipswich, Suffolk, had also been secured for the development of some 180 houses.

some 150 houses. In London, at Thamesmead,

the group won a design scheme for the construction and sale of

Hodgson profit trebles to £2.3m company now aims to exploit the floral and monument side of its trade. One piece of rational-isation which seems to have been dropped, to the relief of many, is Hodgson's intention to move into the financial services sector. One-stop funeral shop-plng is still Mr Hodgson's aim, but he now believes the com-pany should act in partnership with one large finance house to relieve the administrative bur-

relieve the administrative bur-den on bereaved clients. Fifty per cent of the funeral business is still open to offers, and Hodg-son — now hroadly spread across the country — is only limited by the City's willingness to finance larger deals. With a pre-tax profits forecast of about \$4.3m for 1987/88 and shares on a prospective p/e of The directors were confi-

dent that the company would exceed the original profit forecast for the full year of 2500,000 and they intend to pay a final dividend of not less than 0.292p. Last year the group made a profit \$347,000.

Mr John Friswell, chairman, sald that activity within the UK exhibition industry was at its highest level ever and all Daejan Holdings, property investor and trader, raised profits from £8.69m to £13.37m pre-tax in the half year to August 30 1987. The interim dividend is raised by 3p to 8p to reduce disparity. Earnings rose by 18.81p to 52.23p.

Profits included a surplus on sales of properties and other venues were reporting record bookings. With the growth of the industry and the acquisi-tions already made, the com-pany was well placed to take advantage of the situation.

gington acquisition last Angust and the simultaneous agreement with EMAP began to be felt.

Stanco on target to top £0.5m forecast

Stanco Exhibition Gronp, which came to the USM last Jane, increased pre-tax prof-its 50 per cent from £184,000 to £276,000 la the six months

leterim turnover rose from \$1.5m to \$2.44m and earnings worked out at 0.62p (0.6p).

Results for the second half should be better than those for the interim period as the full benefits of the TPS-Ed-

Excalibur profits soar after rationalisation and acquisition

BY PHILIP COGGAN

THE GRIFFITHS brothers, who bought into shell company Excelibur Jewellery in Pebroary last year, were able to announce a nearly fivefold increase in interim pre-tax

profits yesterday.

The improvement was caused by the rationalisation of the hy the rationalisation of the jewellery manufacturing operations and by the acquisition of Robson, a precision engineering company. Pre-tax profits for the half year rose to \$376,000, compared with an adjusted \$78,000 last year.

Excalibur had heen losing money for several years before the Showell family sold the bulk of its shares to Summit

bulk of its shares to Summit Holdings, a company controlled by Mr Michael Griffiths. "We had intended to inject some businesses of our own" said Mr Griffiths, who is now chairman and chief executive

some businesses of our own" said Mr Griffiths, who is now chairmsn and chief executive hut then we discovered the exciting possibilities in the jewellery manufacturing market".

According to the other Grifturer fiths brother, Richard, "jewellery manufacturing is currently a cottage industry" and larger for a suppliers are needed to satisfy the demands of the major 53p.

retailers which now dominate

the market.
Excalibur is investing around \$500,000 in msehinery to update its manufacturing facil-tiles and the acquisition of Robson was designed to inject some engineering expertise into the

group.
Since the end of the half year,
Excalibur has acquired Pic-ATape, a cassette distributor and
hopes to use the latter's marketing skill to boost the jewel-

ry husiness. Last year, Excalibur's share price was one of the best per-formers before Black Monday hut it dropped heavily after October 18

Michael Griffiths - exciting.

possibilities.

According to the other Grif
tion which would have made us the largest jewellery manufacturer in the UK" said Mr Rich-

ard Griffiths. But the group remains aggressive in its search for acquisitions.

The shares closed down 3p at

Misys doubles and seeks expansion

STRONG GROWTH continued at sales Misys in the six months to end-Novemher 1987 and pretax profits almost doubled from \$2446,000 to \$885,000. Turnover rose 63 per cent to \$3.4m.

As forecast by Mr Kevin The cost of huying and content of the state o

Lomax, chairman, the combination of Misys with Dstaller, moved to in October was acquired in June, resulted in a \$800,0000. This had reduced major increase in new system cash halances, but the company

anticipated that its current operstions would continue to generate additional cash flow and it remained on the look out for suitable acquisition oppor-

The company, which joined the USM in March last year, supplies computer systems to insurance intermediaries.

across the grant push ahead to \$13.51m. Over the period several new at the pre-tax level profits, artificially inflated by the sale of ficially inflated by the sale

The Financial Times proposes to publish this survey on:

CONSULTANCY SERVICES

Hey & Croft Group, Essex plan while good demand was based househuilder, yesterday continuing across Hey & Croft's reported profits of £1.47m pre-

reported profits of 21.21m pre-tax for the year to end-October 1987. Last July, at the time of the group's USM flotation, prof-its of not less than \$1.4m were of planned growth and expan-

TUESDAY 23 FEBRUARY

For a full editorial synopsis and details of available advertisement positions, please contact:

STEPHEN DUNBAR-JOHNSON on 01-248 8000 ext 4148

or write to him at:

Bracken House 10 Cannon Street London EC4P 4BY

FINANCIAL TIMES

shares on a prospective p/e of around 15, this hardly looks in doubt.

Daejan boosts

interim profits

Profits included a surplus on sales of properties and other income amounting to \$10.71m (\$6.62m). Although property sales were expected to be lower than the first halfs, present indications were that full year profits would be not less than 1986-87's \$18.33m.

How spending on leisure activities builds performance and gets you noticed

Today's longer holidays and earlier retirement mean more time (and more money) spent on recreation.

One company dedicated to leisure, sees this as no reason to relax. A vigorous exercise plan is developing WH Smith's established retail and distribution businesses.

Retail chains catering to specialist pursuits are also being built up and exported overseas.

Flexing their muscle in North America, they've added eight Paperchase stores in Canada, and fifty WH Smith outlets in the U.S.A. since June 1st 1987.

Because people have different ideas of relaxation, WH Smith have a range of stores appealing to a variety

Should the very thought of Do It All's D.I.Y. selection exhaust you, sit down and take it easy with a top 30 album from Our Price Music.

If you'd rather feast your eyes than your ears, Sherratt & Hughes have a satisfying selection of books. As a final resort, you can get away from it all at a WH Smith travel agent.

Getting away from it all, however, is the last thing WH Smith are contemplating. In order to remain strong now, and become even stronger in the future, every part of WH Smith Group PLC, is being worked on.



New stores are opening (their nine retail chains have added ninetytwo shops between them since lune lst) and over fifty more are expected to be added by the end of May this year. At the same time, all eight hundred existing stores are being toned up with new interiors and exteriors.

Strength and improved appearance have led to their impressive sales and profit figures which have visibly increased in the six months to November 1987, compared with the same period for the previous year.

WH Smith Retail sales up 11.2%, Do It All up 33.9%, Our Price Music up 24.7%. Because more shops are being added to the Group, you'd expect a corresponding rise in sales.

But significantly, sales per square foot are also going up; in high street shops they've risen by 9% in the six months to November 1987.

WH Smith intend shaping up for the future competition. But as you can see, they look pretty healthy now.

		jun-Nov 86	jun-Nov 87
		•	67
		£million	£million
	Sales	687.5	777.8
	Pre-tax Profit	25.8	30.0
	Net dividend	245	70-
1		24p	3.0p
	Earnings per share	8.68p	10.45p

For a copy of WH Smith's Interim Report write to Public Relations Department, WH Smith Group PLC, Strand House, 7 Holbein Place, London SWI 8NR.

WHSMITH **BEST SELLERS**

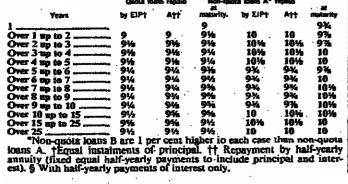
Property Security Investment Trust

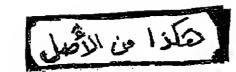
Interim Report

- 100 acres acquired near Disneyworld in U.S.A.
- Four retail stores let to Gateway. Seven more units let at Chineham.
- Planning permission for two more phases
- at Chineham.
- Brussels office block sold. ■ Directors anticipate final dividend of 1.75p
- (1987 1.4p) per share making total of 3.0p (1987 2.4p) per share.

 6 months to	30.9.87	30.9.86
Unaudited figures	20002	£0003
Total rents	4,605	4,396
Profit before tax and dealing	2,349	2,117
Dealing loss	392	272
Taxation	610	570
Profit after tax and dealing	1,347	1,275
Dividend: preference ordinary	40 1,045	40 836
Per ordinary share	1.25p	1.0p
Earnings per share	1.56p	1.48p

Public Works Loan Board rates





Financial Services

Bristol

Our client is a dynamic financial services group with operating centres in the UK. Australia, the Channel Islands, the Isle of Man and the Caribbean. Principal activities include investment management, hanking and trust company services. In response to rapid growth in operations, two new positions have been created in the Bristol office.

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Reference 5092 TT

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Output record

for North Sea

Paris traders hope tax change will halt market slide

Harvest delay

By Judith Maltz in Jerusolem

AGREXCO, Israel's state-run

resulting from continued unrest in the occupied territories.

according to Mr Iran Soreq, the-

Marks and Spencer, Sainsbury,

troubles have caused severe

labour shortages. And harvest-ing problems have been exacerbated by this winter's excep-tionally harsh weather

The UK is Agrexco's largest market, taking about 4,000 tonnes of leafy vegetables, par-ticularly celery and Chinese

leaves.
Avocados and tomatoes, other

British chain stores such as

costs Israel

\$500,000

no other alternative."

THE NEW law governing France's commodities each changed hands, down 72 per cent from the previous year.

Monday - not a day too soon, for the markets operators, Dealers hope that the new law, which amends the taxation of commodities dealing and reduces capital gains tax to the same level as oo other investments, will give a boost to the market, which has seen volume decline sharply over the last year.

The Paris cocoa butter futures contract is long-dead, and last year the cocoa bean, contract virtually joined it. A total of only 1,250 lots of 10

only experienced futures trad-

ers in France.
Besides cutting the rate of capital gains tax on commodity dealing profits from 58 per cent to the 16 per cent rate that pre-valls in the stock market and the Matif, the law will allow mutual funds to be set up to invest in futures, both in

France and abroad.

After the introduction of a dollar conversion facility, which got around French exchange controls and opened the market up to international dealers. daalers, the exchange hopes that the new rules will help spur domestic investor interest.

to resume

Workers at the Shawinigan

request for a return to work Alcan locked out the employee

on October 31st and talks resume on February 1 with a provincial conciliator.

Work continues normally at the big smelters north of Que-bec City and at another small smelter west of Montreal.

timing, Mr Carter says, "We fill all the demand, although this may not be done as timely as

possible." The railroad industry has 90 per cent of its 215,000 cars on the move - more than have been in operation for

years, he says.

PRODUCTION OF oil and natural gas liquids in the North Sea hit a record last year, with a decline in UK and Netherlands production being more than offset by increases for all other countries in the area, according to a report issued by James Capel, the London broker.

Production from the area totalled 1.33bn barrels, or 3.65m harrels per day, an increase of 2.8 per cent compared with 1986. Total production had been expected to be somewhat higher, although maintenance problems had cut output during June.

Production in the UK fell from 2.54m b/d last year, with the Brent and Forties fields continuing to produce the largest quantities of crude, 15.7 per cent and 14.1 per cent of the national respectively. The UK, however, remained the largest producer.

There were 32 fields produc-Alcan labour talks expected ALCAN ALUMINIUM expects central bargaining talks to resume shortly with the Federation des Syndicats dn Secteur d'Alnmininm, representing about 6,000 workers in most of the company's Quebec smelters, writes Eobert Gibbens in Montreal.

There were 32 fields produc-ing oil at the start of 1987, with three more fields beginning pro-duction during the year.

smelter, with an 84,000 tonnes annual capacity, represented by a different union, voted unoffi-rially to reject the company's

THE INTERNATIONAL Petroleum Exchange yesterday reaffirmed its intention to "develop argently" a more suitable cruda off futures contract that would provide a hedging vehicle in a time zone serving European, Middle and Far East requirements. The announcement comes in the wake of the New York Mercantile Exchange's decision last week to break off talks on a Joint venture with the IPE. The IPE has failed several times to developed its own successful crude off own successful crude oil futures contract, although It now says that "alguificant trade interests" have expressed a desire to trade crude oil futures in London.

THE INTERNATIONAL

A total of 13 fields were producing by the end of the year.

Norway has agreed to reduce nil production by 7.5 per cent in the event that Opec is able to maintain the production celling which it has set for itself.

Production in Denmark rose from 73,889 b/d to 93,418 b/d: in the Netherlands production fall off from 66,805 b/d to 62 105 b/d, while in West Ger-A total of 13 fields were produ-

Norwegian production, sec-nnd highest in the area, increased by 17.3 per cent to 1.02m b/d nn average. The increase came mainly from higher nutput on existing fields.

EC hormone ban challenge rejected

tice in Luxembourg yesterday eagerly awalted final judge-rejected a French company's ment of the court in this case legal challenge against the European Community's controversial ban on using hormones

For technical reasons the exception by District for an experimental reasons the exception of the court in this case. in meat production.

in meat production.

The complaint by, Distrivet, is part of a determined campaign by Fedesa, a lobby group nf 22 major pharmaceutical companies which have banded companies which have banded light its impact on their industry. In particular, Fedesa argues that there is no scientific evidence to justify the ban and that products which are should be allowed to be marketed freely in Europe.

The Fedesa initiative is quite meaning application by Distrivet for an interim order was made against the EC's decision of last November to defer the effect of the directive for 12 months in relation to meat in circulation — thus defusing a trade dispute with the US — but to go ahead with the ban on the use of hormones from January 1 this year.

Fedesa always acknowledged that yesterday's action was a long shot and it will have been no great surprise that the court ruled that it was inadmissible and that the same and the s

thas already pre-booked over 500,000 tons of business in this the auction to 40 per cent of its the auction to 40 per cent of its fleet if it is a success.

While he says the move was not prompted by current car shortages, Mr Richard Carter, BN vice president, estimates it will increase capacity by 15 per cent. "It takes some of the randomness nut of the pipeline chain sources."

Nations.

Claiming that the current car separate from the British Government's legal action against the prohibition, which also cites the scientific argument but more importantly from Longian they were not given any notice of this quarter's rate will increase capacity by 15 per cent. "It takes some of the randomness nut of the pipeline chain sources."

The reflected freely in Europe.

The Fedesa initiative is equite separate from the British Government's legal action against the prohibition, which also cites the scientific argument but the prohibition, which also cites the scientific argument but the prohibition, which also cites the prohibition, which also cites the scientific argument but the prohibition, which also cites the prohibition, which also cites the scientific argument but the prohibition, which also cites the scientific argument but the prohibition, which also cites the prohibition, which also cites the first real test of legislation that deregulated the railroads in 1980, and even more importantly from Longian they were not given been taken unanimously by rise of 4.2 per cent.

The reflectant formula is a proper to the prohibition, which also cites the prohibition, and could be marken to a proper the prohibition, and coul more importantly from Lonit will not give up and it has
don's point of view rests on the
claim that the decision in English High Court which it
December 1985 should have expects in due course to be

member states, rather than by a qualified majority.

In his Opinion last October the Luxembourg Court's Advocate General came down on the side of the Council of Ministers

The group's defence fund runs into hundreds of thousands of dollars and it claims to have several weapons still in its armoury.

It is also considering seeking

CRUDE Oil (Light) 42,000 US galls \$/barrel

THE EUROPEAN Court of Jus- emerged yesterday that the

application by Distrivet for an interim order was made against

that yesterday's action was a long shot and it will have been no great surprise that the court ruled that it was inadmissible on the grounds that the decision did not individually affect

Distrivet. Fedesa insists, however, that December 1985 should have expects in due course to be been taken unanimously by referred to Luxembourg. The

armoury.
It is also considering seeking damages under the Treaty of

Ivory Coast 'regrets' joining cocoa pact

FELIX HOUPHOUET-Boigny. the Ivory Coast's president, has stated that he now regrets his support of the 1985 Interna-tional Cocoa Agreement, and agricultural marketing board, lost US\$500,000 in the first three weeks of this month because of harvest problems has accused cocoa speculators of making false claims of overproduction in order to influence

Speaking to an assembly of the French Cocoa Merchants' Associations in Abidjan, Mr Houphouet-Boigny said the international accord had failed to stabilise cocoa markets, with and Safeway were understandably "very upset" at being denied their usual large supplies of Israeli-grown vegetables, Mr Soreq said. But he did not expect the supply shortage the consequence that the lvory Coast - the world's largest producer of cocoa - has been unable to bonour its Interna-

tional debt commitments.
Mr Houphouet-Boigny also to have any further repercus-sions on their ties with Israel because, as he said, "they have came out strongly against Dutch and English market speculators. He said that at the With about a third of all workers employed to picking and packing farm produce in Israel coming from the West Bank and the Gaza Strip, the

IN SPITE of this year's surge in

US grain exports, many farmers are stuck in the plains of the

country's bread bowl unable to move their wheat to market.

These farmers are facing a long

COCOA PRICES fell sharply in London yesterday, with the second position futures contract clesing down \$43 at \$1,108 a tonna following heavy apeculative Ilquida-tion in New York, writes Our

The growing realisation

Asian countries as Malaysia. The Ivorian head of state said that claims of oversupply and consequent low prices were the result of manipulation of marresult of manipulation of market statistics by speculators.

Referring to them, he said angrily: "We must fight our exploiters." Overproduction at present does not exist in reality, he insisted, and said that world market sales could continue to expand.

In addition to attacking Britain and the Netherlands for

that buffer stock purchases would not mop up all the surplus cocoa in the market added to already bearish sentiment, dealers said. But they expected prices to sta-bilise now that speculative money had largely been ahaken out of the New York

speaking in Abidian to a Dutch trade delegation on Monday reflected the president's diseatisfaction with international cocoa markets. The international cocoa accord, he said, "has its limits," and he argued

In addition to attacking same time as they spoke of coverproduction, they were actively encouraging further new cocoa production in such same time as they spoke of time to expand.

World market sales could continue to expand.

Britain and the Netherlands for encouraging Malaysian cocoa production in such rian Agriculture Minister, the World Bank. The Bank

should not be funding new cocoa plantations in other parts of the world, he said, when the Ivory Coast, which has invested heavily in cocoa, is unable to make profits.

The remarks come only days after the Ivory Coast expressed at least partial satisfaction with the results of the Interna-

tional Cocoa Organisation meet-ing held in London two weeks ago. While the Ivory Coast was ago. While the Ivory Coast was unsuccessful in pushing through a number of measures intended to protect producers, it said it was encouraged by the resumption of buffer stock buying, and expected prices to rise in the long term as a conse-

It also reaffirmed a commit-ment to honour its \$30m debt to the buffer stock purchase fund, and said it would continue to fight for additional support mechanisms at the next ICCO meeting on February 29.

crop. The Wyoming Wheat Growers Association, like many of its counterparts scross the counterparts sc Deborah Hargreaves on the transport problems

car blues grip the US bread bowl

wait for rail cars - overburdened by traffic to the US important winter exports, have not suffered at all, Agrexco believes, because of the much smaller reliance to the way in the control of the much smaller reliance to the control of the much smaller r

were no rail cara, she complains. The grain elevators face are facing problems in coping with the huge quantities of the complaints of the long delays in getting rail cars with the huge quantities of to ship out grain, she explains, grain being moved. The wait for and, added to that, will often rail cars is almost universally 30 to 50 days, according to Mr picking and packing of oranges, to replace Palestinian labourers during the height of the har-Agrexco's sales are forecast

to reach at least last year's level of \$350m in spite of the

COCOA P/Ionno

Close

1127

221.00 224.40 218.60 224.00 222.60 225.00

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137.50 135.00 136.50 136.50

104.40 106.90

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Avocauos and distances, and the marketing board claims that the supply flow of those vegetables affected by the labour shortage returned to normal last week, following a lull in the disturbances which allowed some Arab workers to come back to their jobs in israel. But how long this will last is uncertain.

The country's cltrus industry

The grain elevators face

Twe don't grow grain just to have it stiting around," says an angry Ms Martha Thompson, a Nebraskan wheat farmer. Ms Thompson, who sends her wheat to a grain elevator in North Platte. Nebraska, describes with evident frustration how farmers all over her country, says a perplexed Mr Jay Pursley, president of the Wyoming group, "ev've in the country," says a perplexed Mr Jay Pursley, president of the Wyoming group, "ev've in the last couple the demand for the last couple the demand for the last couple were no rail cara," she com
The railroads admit that they are facing problems in coping arising to the West Coast, it had missed the boat contracted to take the grain. which are frustrating grain growers

asked for.

"You ask for 40 cars and Pacific Railroad, as companies they'll send you 10," Ms struggle with an increase in Thompson claims, stressing grain volume of 30 per cent that, at harvest time, a few over 1986 levels.

Union Pacific admits it needs more rail cars and plans to order an additional 2,000. It is also trying to tighten its operations to reduce the turnround time on its cars, some of which get stuck at congested ports with no room to unload. Its rival, Burlington North-

lengths of 64-cars at a specified date, setting a minimum price for hids and then offering

dnmness nut of the pipeline chain system," he explains. "We will have the cars in the right

Farmers, however, are also hitter about increases in freight rates that are eroding the profit they can make out of the upturn in commodity prices. Rising freight rates are shouldered by farmers as part of their contracts with grain elevators.

chain system," he explains. "We that rates are still low in com-will have the cars in the right place at the right time." 1980 – after deregulation com-panies alashed rates to attract rail car supply is a problem of husiness.

Close Previous

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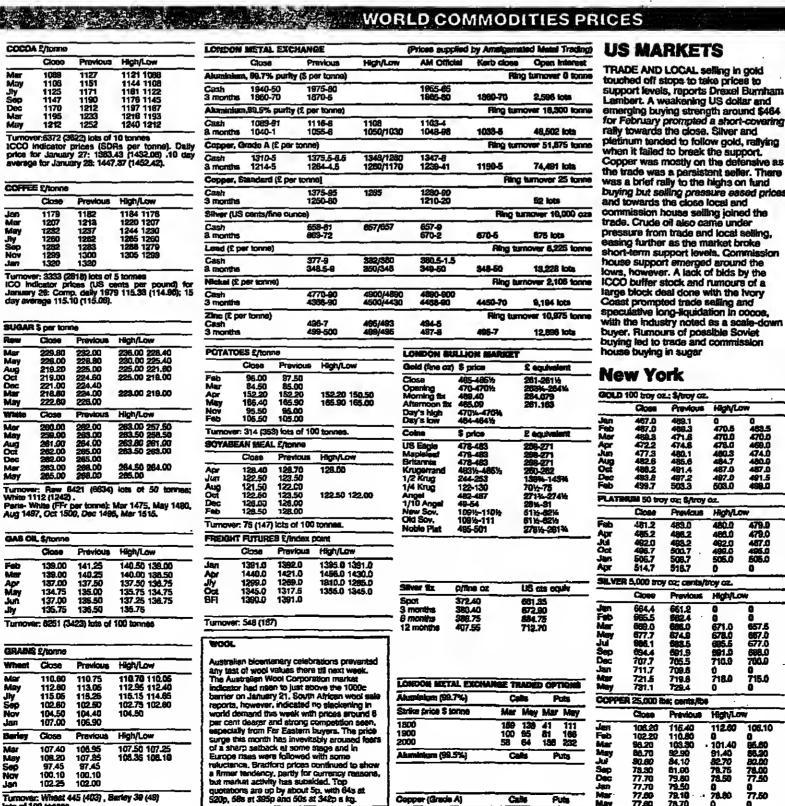
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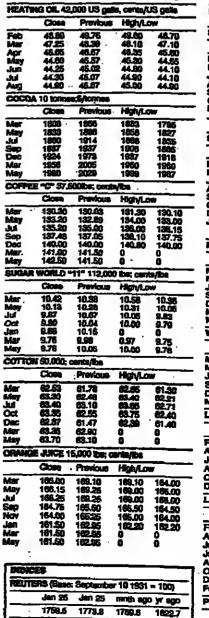
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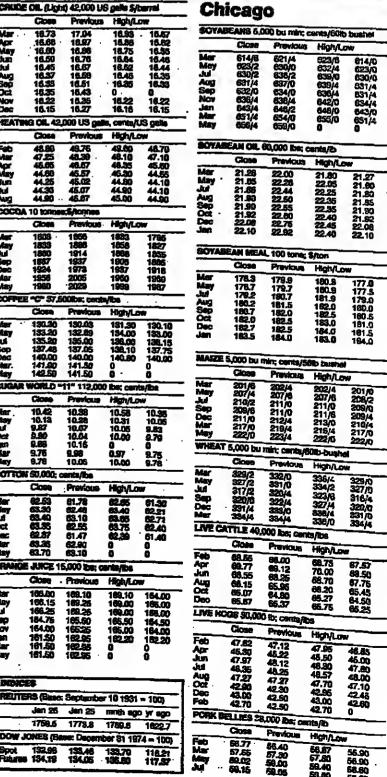
NICKEL PRICES yesterday continued the strong rise so far this week, with the threa-month price adding £99.50 a tonne to close at £4,487.50 - about \$3.60 a lb. Dealers said the market continued to recover recent lost ground on further European merchant covering and fresh buying following the breach of resistance at \$3.50 a lb. Analysts axpect the next level of resistance to be around tha \$3.80 level. There has also been soma covering against options positions this week, traders said. Copper prices continued Tuesday's fall, with a wave of stale bull liquidation and stop-loss setting pushing the market sharply down during kero trading. Lead and zinc prices were steady, with traders watching the situation in Peru, where the Centromin workers' striks was expected to spread to the La Oroya smelter, whose production includes around 80,000

tonnes of lead and 70, a year.	,000 tonnes	of zinc	January	licator pr 28: Com rage 115.
SPOT MARKETS				-6
Crude oil (per barrel FOB)		+ or -	SUGAR	\$ per ton
Dubei	\$15.35-5.402		Row	Close
Brent Blend W.T.L(1 pm est)	\$16.07-8.17\ \$16.77-6.822		Mar	229.80
Oli products (NWE prompt			May	226.00
On products (NYE prospe	Contail bor a	+ 01 -	Aug	219.20
Premium Gasoline	S159-181		Dec	219.00 221.00
Gas Oil (Soviet) -	\$137-139	-3	Mar	218.60
Heavy Fuel Of	\$70-72	-2.5	May	222.60
Naphthe Petroleum Argue Estimates	\$152-154		White	Close
Other		+ or -	Mar May	260.00 259.00
Gold (per troy oz)\$	\$485.25	-5.00	Aug	261.00
Silver (per troy oz)4	658c	-4	Oct	262.00 262.00
Platinum (per troy oz)	\$481.00 \$123.55	~0.75 +0.55	Dec	263.00
Pafadium (per troy oz)			May	265.00
Aluminium (free market)	\$1980	~15	Turnova	- Raw (
Copper (US Producer)	120%-151c	1.625		r: Raw (12 (1 <u>24</u> 2)
Nickel (free murket)	380c	+10		hits (FFr
Tin (European free market)	£3850	30	Aug 140	7, Oct 15
Tin (Kusta Lumput markat) Tin (New York)	17.26r \$17.00c	~2.00		
Zinc (Euro. Prod. Price)	\$890	+15	GAS O	L \$/tonne
Zinc (US Prime Western)	44.75c			Ciose
Cettle (live weight)†	103.63p	-1.05°	Feb	139.00
Sheep (dead weight)	154.820	+19.42	Mar	139.00
Pigs (live weight)†	64.45p	0.87*	Apr May	137.00 134.75
London daily sugar (raw)	\$260,40w	~2.80	Jun	137.00
London daily sugar (white)	\$259.00w £255,00	-2.00 -2.50	Jly	135.75
Tate and Lyle export price	£111.00y		Turnove	r. 6251 (3
Barley (English feed) Maize (US No. 3 yellow)	£135.50			
Wheat (US Dark Northern)	£97.75u	-0.75	00100	
Rubber (spot)©	63,50o	-0.60		2/tonne
Rubber (Feb) 🛡	68.00p	-0.50 -0.50	Wheat	Close
Rubber (Mer) P Rubber (KL RSS No 1 Feb)	68.00p 280,00m	-0.50	Mer	110,60
			May Jiy	112.60 115.05
Coconut oli (Philippines)§ Palm Oil (Malaysian)§	\$575.00x \$465.00y		Sec	102.60
Copra (Philippines)§	\$390.00		Nov	104.50
Soyabeans (US)	£155.50	-2.50	Jan	107.00
Cotton "A" Index Wooltops (64s Super)	69.70a 519a	-1.15	Berley	Close
			Mar	107.40
C a torne unless otherwise c-cents/fb. r-ringgit/kg. w-F	sateo, p-pen eb/Mar, v-,ien	ω/κυ. /Fab.	May	108.20 97.45
			Sep	
Z-Mar. y-Feb, u-Apr/Mey. x-	-Mar/Apr.† Mi	Bat		100.10
Z-Mar. y-Feb, u-Apr/May. x- Commission average teaso	-Mar/Apr.† Mi ck prices. * ct	tat Yange	NOV Jan	
Z-Mar. y-Feb, u-Apr/Mey. x-	-Mar/Apr.† Mi ck prices. * ct i physical mar	tat Yange	Nov Jan	100.10



16.73 16.66 16.60 16.50 16.45 16.37 16.38 16.35 16.22 16.15 16.93 16.86 16.75 16.64 16.62 16.46 16.35 16.97 16.96 16.76 16.67 16.69 16.51 16.43 16.25 emerging buying strength around \$464 for February prompted a short-covering raily towards the close. Silver and platinum tended to follow gold, railying 16.22 when it failed to break the support. Copper was mostly on the defensive as the trade was a persistent seller. There was a brief rally to the highs on fund buying but selling pressure eased prices and towards the close local and commission house selling joined the HEATING OIL 42,000 US galls, cents/US galls Close Previ ous High/Low 48,76 48,39 46,57 46,57 46,02 45,07 46,87 48.80 47.25 46.65 44.60 44.25 44.30 44.90 trade. Crude oil also came under pressure from trade and local selling, easing further as the market broke short-term support levels. Commission house support emerged around the lows, however. A lack of bids by the ICCO buffer stock and rumours of a large block deal done with the lvory Coast prompted trade selling and speculative long-liquidation in cooce, with the industry noted as a scale do Closs Pre 1866 1886 1914 1937 1973 2005 2029 with the industry noted as a scale-down buyer. Rumours of possible Soviet buying led to trade and commission house buying in sugar Close ous High/Los 130.30 133.20 135.20 137.48 140.00 141.00 142.50 181,30 134,00 136,00 136,10 140,80 0 130.03 132.89 135.00 137.05 140.00 141.50 0 470.5 470.0 478.0 480.3 484.7 487.0 503.0 463.5 470.0 469.0 474.0 480.0 487.0 491.5 488.0 SUGAR WORLD "11" 112,000 for ca us High/Low Mar May Jul Oct Jan Mar May 10.42 10.13 9.87 9.80 9.88 9.76 9.78 10.38 10.25 10.07 10.04 10.16 9.98 10.06 10.58 10.31 10.05 10.00 Previous High/Low





CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Did

No boost for US dollar

THE DOLLAR failed to gain a sanction to build on November's encouraging trade figures yesterday, after an initial analysis of US GNP data left the market less than impressed.

A 4.2 pc. rise in the 4th quarter was a little shove most expectations but stripped of a \$58.3 bu rise in stock building, the position was quite different. Analysts were quick to point out that a build up of inventories countributed most of the growth, and excluding this, some claimed that GNP actually showed a small decline.

Mr Neil Mackinson, economist at Nomura Research Institute, described the figures as being "not very encouraging". He added that the underlying strength of the economy is not very robust and that a fall in real consumption was very bearish for growth. In currency markets however the position was a little different with regard to the dollar's performance.

In the figures as being the strateging was confined to the consumption was very bearish for growth. In currency markets however the position was a little different with regard to the dollar's performance.

In the figures as the figures of the consumption was very bearish for growth. In currency markets however the position was a little different with regard to the dollar's performance.

Mr Neil factor affecting senting the story covering helped the centre stage should come to summer speeding would help produce a decline in the trade deficit and the latter has been the prime factor affecting senting the figures for December.

Mr Neil regard to the dollar's performance.

Mr Neil strate figures as the figure for December.

Mr Neil Recentled to the dollar's performance.

Mr Neil Macking the strates were also awaiting the analysis of the concern strates with the figure of the concern strates were also as a strate to the figure of the concern strates where the figure of the concern strates where

would depend almost entirely on the dollar's performance.

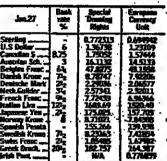
Initial reaction to the figures pushed the dollar weaker but it-spent the rest of the day gradu-ally improving. Dealers were not able to identify the reason behind the better tone but pointed out that trading volume was extremely thin.

The dollar fell to DMI.6680

£ IN NEW YORK

E Spot 1 month 3 month 12 mont		1.7740-1 0.26-0.2 0.73-0.6 2.62-2.5		7373	40-1.7750 6-0.24cm 2-0.70pm 8-2.60pm
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			June	27	Freelows
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CURRENCY RATES







MONEY MARKETS

UK rates steady

INTEREST RATES remained steady on the London money market yesterday, with three-month interbank unchanged at 8% p.c.; and £130m bank bills in band 4 at 8% p.c. In the afternoon the Bank of England bought £38Sm bills, through £297m bills in band 1 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 3 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; and £85m bank bills in band 4 at 8% p.c.

There was a short lived nervous rise in longer term rates, ahead of the US fourth quarter GNP announcement, but the resulting figure endorsed the growing conviction that UK bank base rates are unlikely to move in the near future.

After a large credit shortage lending rate 8% per cent from December 4

In London yesterday, the market is looking forward to a comfortable end to the week, and for the note circulation £100m; and bank balances below target £150m.

In Frankfert call money was at 50 p.c. as llouidity to be perfectly the first provided the provided the circulation £100m; and bank balances below target £150m.

In Frankfert call money was \$1 p.c.; and £30m bank bills in band 4 at 8% p.c. In the afternoon the Bank of England bought £238m bills, through £297m bills in band 1 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 1 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in band 2 at 8% p.c.; £1m bank bills in

in London yesterday, the market is looking forward to a comfortable end to the week, and possibly a small surplus today.

The Bank of England initially forecast a money market shortage of £850m, but revised this to £900m at noon, and to £800m in the afternoon. Total help of £778m was provided.

The authorities offered an early round of assistance, and at that time bought £112m bank bills in band 4 at 8% p.c.

Another £163m bills were purchased before kunch, by way purchased before kunch, by way of £29m bank bills in band 1 at

	Eco control rates	Correscy amounts applicat Eco Jan.27	% change from central rate	% change adjusted for divergence	Divergeno Ent. %
eighn Franc anish Krone arrens D-Mark reach Franc which Galider rish Punt	42.4592 7.85212 2.05933 6.90403 2.31943 0.768011 1483.58	43.1558 7,92206 2.06577 6.96366 2.12011 0.776859 1.520.40	+1.64 +0.89 +0.35 +0.96 +0.03 +1.10 +2.48	+0.94 +0.19 +0.16 +0.14 +0.67 +0.40 +2.22	21.5944 21.5404 21.0981 21.3674 21.5012 21.6684 24.0752

Jan.27	spread Day's	Close	One month	PA.	Three	74
min heriands : gloro	1,7705-1,7820 2,2549-2,2788 3,33-3,345, 61,92-62,13 11,376-11,03, 11,160-11,205 2,93-2,90 201,93-22,90 201,93-22,90 2180-2190-5 11,276-11,326, 11,276-11,326, 11,276-11,326, 11,276-11,326, 10,00-10,00 2,286-2,271, 20,05-20,95 2,400-2,405,	17795-17808 22705-22775 3334-3344 61.95-62.05 11.375-11.384 11.176-11.180 297-298 26.36-261.30 298-2199- 11.295-11.305 10.08-10.03 10.08-10.03 10.08-10.03 2265-2271-209-2093 2403-2423	0.25-0.22cpm 0.01-0.11cds 10-1-1cpm 20-3cpm 21-3cpm 15-1-0.00cm 15-1-0.0cm 15-2-0.0cm 16	152 449 225 486 475 475 475 475 475 475 475 475 477 774	0.75-0.70pm 0.02ds-0.10pm 49-27pm 49-27pm 1-23ds 0.38-0.30pm 206-4446s 177-21bbs 1-17-25 149-165-25 172-25ds 24-22pm 18p-113-pm 18p-113-pm 18p-113-pm 18p-113-pm 18p-113-pm 18p-113-pm	160 010 120 060 120 520 520 520 640 640 640 640

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

Jan 27 -	Day's	Close	One month	×	Three months	W.
DKY	127705-1,7820	1.7795-1.7805	0.25-0.22 -po s	2.62	0.75-0,70pgs	165
سنة الجمادية	1.5941-1.5942	1.5925-1.5935	0.12-0.0 0cpm	0.75	0.38-0.30pm	0.65
C	1.2766-1.2800	1.2780-1.2790	0.19-0.22 cds	-L92	0.52-0.55ds	-167
	1.8710-1.8836	1.8765-1.8775	0.48-0.45cpat	2.97	1.40-1.37pm	2.95
Belghier		34,80-34,90	3.50-0.50com	0.69	10.00-5.00pm	0.86
Donnark	6.394-6.434	6.394-6.394	0.80-1.40oradis	-2.05	3.20-3.80db	2 18
W. Cermin	2.6660-1.6760	1,6705-1,6715	0.54-0.51mm -	3.77	1.58-1.53em	3.72
Portage	1364-137	1361-137	90-120cds	9.25	220-270-4	-7.19
	112.90-113.70	113.10-f13.20	50-65cds	-6.09	140-170ds	5.47
-	1225-1235	12313-12324	3.00-4.000reds	-3.41	00.00-13.00ds	-3.74
dervice	6.334-6.37	6344-6354	3.45-3.80ocedts		17 10-11 50ds	-7,12
**************************************	3.63 1-3.65	363-5632	0.30-0.504%	0.85	7.50-1.80dx	1.12
bunden	5.993-6:03	6 000 6 600	1.10-1.30creds	-240	3.45-3.75ds	2.40
TOOR	127.40-128.05	127.45-127.55 ·	. 0.34-0.33ypm .	3.06	0.94-0.91om	290
untiriz	11.72-11.783	21 730-11 733	2.55-2.25com	2.45	7.75-6.75om	247
Durktzer and .	1.3525-1.3660	1.3605-1.3615	0.72-0.67cpm	633	1.83-1.530	4.94
† LPK and Erel De legheldesk	and are quoted in	US currency, Forwa	ed practitions and disc	cuels app	by to the US dollar	and not

Jan 27	Short	7 Days entice	Corp Month	Tiree Months	Şêx Mostks	Asst.
criting	· · · · · · · · · · · · · · · · · · ·	日本 日	Beer Andrews	8, 68, 68, 68, 68, 68, 68, 68, 68, 68, 6	9877844425781104544374 4277811145544374	**************************************

Long term Eurodellers: two years 81g-81g per cont; three years 61g-61g per cent; four years 81g-81g per cent; five years 9-81g per cent nominal. Short term rates are call for US Dollars and Japanere Yea; others, two days

EXCHANGE CROSS RATES 2 5 DAS Yes FFr. SFr. HFL Lica C\$ BFr. 1 1.760 2.975 227.0 10.03 2.423 3.343 21.93 0.542 1 1.671 127.5 5.635 1.361 1.878 1232 1 74.50 1.571 0.604 1.124 757.1 0.765 20.64 13.11 1000 44.19 10.67 14.75 9661 10.03 273.1 0.336 - 0.578 4.405 7.541 0.997 1.775 2.966 226.3 10. 2.416 3.333 2186 0.413 0.735 1.228 93.69 4.139 1 1.380 903.1 0.299 0.532 0.890 67.90 0.456 0.002 1.357 103.5 3,000 0,725 4,574 1,105 1.524 656.0 1000.

0.439 0.782 1.307 99.59 4.405 1.064 1.613 2.571 4.798 366.1 16.18 3.908 1.468 5.392 Ven per 1,000: French Fr. per 10: Lira per 1,000: Beigian Fr. per 100.

FT LONDON INTERBANK FIXING CLLOD a.m. Jan 27) 3 months US dollars

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	NEW YORK Printe rate Broker loss rate Fed.hard: Fed.fiseds at intervisation	8.00 s	the month	Treasory B	3.84 Three 5.50 Four 5.95 Five 6.40 Spec 6.76 10-7 7.46 30-7		7. 7. 7. 8.
Į	Jm.27	Overnight	Que Month	Two Months	Three Montis	Six Months	Lomb
	Freshfart	3.00-3.10 73-74 35-3125	3.75.30 3.75.30 3.76.35	325-3-0	330,346 21,13 1,13 1,10 1,10 1,10 1,10 1,10 1,10	18515 81-81	4.5 7.5

LONDON MONEY RATES In Frankfurt call money was steady at 3.05 p.c., as liquidity remained in good supply, and dealers saw few problems in banks meeting minimum average reserve holdings at the Bundeshank this month. Commercial banks' holdings fell towards the end of last week, and declined again on Monday, to DM44.8hn from DM45.4bn on Friday. But the DM56.6bn average for the first 25 days of January remained above the minimum requirement of DM54.4bn.

FINANCIAL FUTURES

US bonds rise on GNP data

US TREASURY bond futures rose sharply on Liffe, following the announcement of fourth quarter US gross national product growth. A rise of 4.2 in GNP growth was higher than the generally expected level of about 3.5 p.c. This would have depreased the market, but for the underlying break down in the figure.

Stock building contributed to most of the rise, which as Mr Geoffrey Dennis, international economist at James Capel, pointed out was a matter of industry producing the goods, abut not being able to sell them.

Without the sharp rise in business inventories, it was estimated that GNP growth was a mere 0.6 p.c.

Mr Marc Hendriks, senior economist at Baring Brothers, said the hig unanswered question was, how much of this stock building was of foreign goods? He noted some surprise that imports rose 6.3 p.c.

At the same time the rise of 16.3 p.c. in US exports was regarded as very strong, while consumer spending was surprisingly weak, falling an annualised 3.8 p.c.

The general picture appears

Estimated volume total, Calls N/A Pets N/A Previous day's open lat: Calls 732 Pets 573

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CURRENCY FUTURES

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The Financial Times proposes to publish the above survey

on Friday 26th February 1988.

For further information and Editorial Synopsis please call

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BASE LENDING RATES

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ABN Bank 812	Citibank NA 82 City Merchants Bank 82	Nat. Sk. of Kussait 84 ₂
Adam & Company 81 ₂		MAINTENANT 01/2
AAB - Affed Arab Bk _ 812	Chesterine Stank	Morthern Bank Lift 85
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American Exp.Bit 812	Consolidated Cred 8½	PK Frieses, helf (UK) 9 Provinctal Trust Ltd 92 R. Rapitael & Soos 82 Studentyle G'rastice 92 Rapid Frust Rapid 85
Agro Bank 812 Heary Austracher 812 ANZ Banking Group 812	Co-operative Bank *8½	Provincial Trast Ltd 912
Heary Austracher 812	Cyprus Popular Bk 812	R. Raphael & Sons 812
ANZ Banking Group 812	Dumbar Bank PLC 81-	Renberghe G'rantee 952
Associates Cap Corp 10	Duncan Lawrie 812	Royal Bir of Scotland 852
Authority Back 812	Equatorial Bank plc 812	Royal Trust Bank 852
B & C Merchant Bank _ 812	Equatorial Bank plc 81 ₂ Exeter Trust Ltd 9	Smith & William Secs. 812
Basco de Bilhao 8º2	Floancial & Gen. Sec 9	Standard Chartered 8½
Bank Happalion 81 ₂	First Rat. Sec. Ltd 912	12887
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Bank Credit & Comm 812	Hobert Fraser & Pters. 92	United Bir of Kawait 812
Bank of Copres 892	Robert Fraser & Plans. 92 Girobank	United Mitrali Bank 812
Bank of Ireland 812	Griodlays Bank 812	Unity Trust Bank Pic 81 ₂ Western Trust 81 ₂
Bank of India 812	Guinness Malton 81 ₂	Western Trust 812
Bank of Scotland 812	MH. IMPLA SHIPE. KG	WHATTER HAND LODG KIN
Banque Belge Ltd 812	Hambros Bank	Whitemay Lakker 9
Barclays Bank 81 ₂	Heritable & Gen Inv DK 812	Yorkshire Bank 812
Beachmark Bank PLC . 812	4 Hal Sarmel \$812	
Berliner Bank AG 812	C. Hoare & Co 81 ₂	 Members of the Accepting House
HOTEL ESE OF MIND EAST 82-2	HONESTON & 21/2020 91/2	Committee, * 7 day deposits 3,50%
Brown Shipley 81 ₂	Liovis Bank 81g	Savewise 6.16%. Top Tier-22,500+ at 3
Business Mage Tst 812	Meguraj Bank Lid 81 ₂	months' notice 7.81%. At call when
CL Bank Kederland 872	Missand Bank 872	£10,000+ remains deposited.
Central Capital 812	@ Morgan Grenfell 812	Mortgage base rate. § Demand deposit
Charterhouse Bank 812	Mouet Bakg Corp 8 ¹ 2	3.49%, Mortgage 10% - 10.25%

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- ACROSS

 1 A sweet goat from Scotland
- 1 A sweet goat from (12)
 10 Guaranteed to be the man nurse changes first! (7)
 11 When opening a youth centre is given ten cakes (7)
 12 No man retires before a lady

- 12 No man retires before a lady
 (5)
 13 One running out of babit? (8)
 15 Improve by a mile · or eat
 anyhow (10)
 16 A French door, half open (4)
 18 Returned school key (4)
 20 Ignorant nude running
 around in class (10)
 22 Slide on this in the wind (8)
 24 A giann article in bronze (5)
 26 Dismissed poor Neil for
 sketch (7)
 27 and left girl embracing
- 27 and left girl embracing trainer (7)
 28 Light meals for first year
 students during rest break
- DOWN

 To be out of bed around midnight certainly is swell! (7)

 I put in new partner for tortoise (8)

 it's clear Football
- 4 it's clear Eastbourne front is
- to sit on (4)

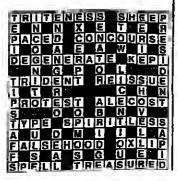
 5 Soldier in bed with giant novel, pondering (10)

 6 Name the Spanish bird standing up (5)

22 m. +41 (122) 1 (141 + 4 =

- 7 "Listen here" said a man (7)
 8 Late coming back? (13)
 9 After "more shores" type
 "remarkable"! (13)
 14 End Grecian trip to find relative (10)
 17 Last ice-cream container one
- brought back in (8)

 19 Beginning tonight the despi-cable person must go on foot
- (7)
 21 Jack gets Tom up, unusually interactions for leading
- French cheese topping (5)
 25 Top Iranian has moved to
 Holyhead (4)



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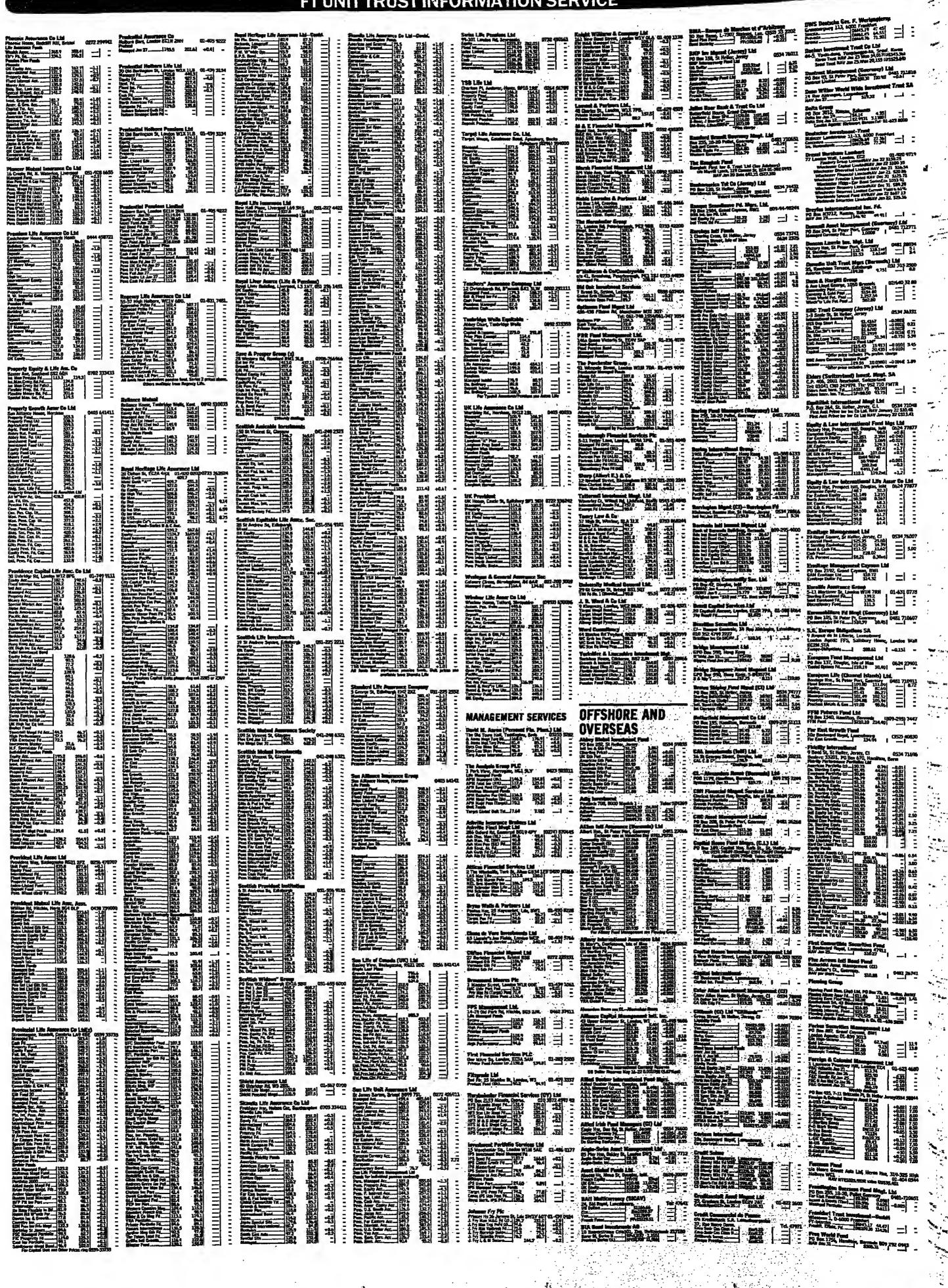
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LONDON SHARE SERVICE

		LONDON SHARE SERVICE		INDUSTRIALS (Miscel.) - Conta
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E-991, E241, Banco de Bilhao S.A. E36.# 4038% 3.0 2.7 223 E341, E234, Banco de Samander, E291 022% 4 19 0 *244 175 Bande tresand n/21 215 2053% 9 6.3 7.6	70-1 13 Adra Hoteley 50 41 100 1 1 2-11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	215 80 Felectron House 10p 133 -2 13.6 1 78.9 92 93 Register Wedgerth 10p 58 -2 1 6 76 76 Felec Data Proop 5p 180 21 9 2 9 86 Register Wedgerth 10p 58 -2 1 8 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9 9	0 - 198 106 Du. Styr. Cov Pf. 136 88.9% - 225 115 Du. Styr. Cov Pf. 136 88.9% - 225 115 Du. Styr. Cov Pf. 137 -1 19.5 Lt 1-10. 225 115 Du. Styr. Cov Pf. 285 115 Du. Styr. Cov	2 180 77 Stards 116 -2 325 LE 18 194 194 25 25 35 36 194 194 25 275 36 37 38 25 109 116 -2 325 1.6 31 25 275 36 31 25 275 36 36 36 36 36 36 36 36 36 36 36 36 36
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	273 183 Chemosy lad, 10p. 185 -2 L4,9 2,7 3,6 13,0 485 274 Coasts Grosp. 346 +2 18,75 3,4 3,5 11,7 483 270 Coasts Grosp. 390 +4 18,75 3,1 2,2 18,2 4,6 19 Coasts Bros. 390 +4 15,7 3,1 2,2 18,2 4,6 19 Coasts Bros. 390 +4 15,7 3,1 2,2 18,2 2,7 16,5 Crudi lat, 10p. 202 +1 16,6 13 4,0 2,3 12,0 2,6 153 0n. Deld, 10p. 196 +1 18,0 1,9 5,4 13,0 2,6 153 0n. Deld, 10p. 196 +1 18,0 1,9 5,4 13,0 2,6 153 0n. Deld, 10p. 196 +1 18,0 1,9 5,4 13,0 2,5 14,0 2	277 137 Famel Elec. 50	64 10.4 50 122-ji:Chardeni Methods. 24 +1 01.6 12 35.9 9.4 22 10.5 Wickins Light 1985. 134 07.4 3.1 7.1 136.4 744 290 Christies Int. 109 483 -2 17.5 140 12 12.4 13.4 13.4 13.4 13.4 13.4 13.4 13.4 13	8 118 83 Peteral Planning 3p 91 — PLI-6 2-9 2-4-1-5-6 1 120 54 Remed (A.) 10p 63 — 174 2-5 3.6 1-6 4 1 198 79 Repair lett 10p 107 +2 56 9 431 150 RSAC but 10p 127 -2 35 32 2.6 15.5 8 71 26 RSEP, bud 1895, 59 44 -2 30.5
620 4.0 Brown Shipky EL. 425 131.0 132.1 1	200 103 Doubley 100 195 13.45 2.5 4.5 12.1	90 15 Friedricher Dennis 3p. 35	8 10.4 50 12 pR Chemical Relevoir. 30 +1 10.2 1 13.5 35.9 9.9 242 105 Webhie 1 July 1985.5 134 12.4 135.9 136.4 744 290 Carteires int. 109 36 36 36 36 36 36 36 36 36 36 36 36 36	5 724 240 St Group 50 45 30.29 - 049 - 0522 523 525 Cohole FF(100 201 + 1 052 3.6 2.0 13.6 190 53.6 190 53.6 190 2.3 4.9 13.9 4.9 13.9 53.6 Titley 224 19.0 2.3 4.9 13.9 4.9 13.9 53.6 Titley 24.9 Ti
680 14 bFts Pac Hog. 50c. 18 -1 22.31c 6.4 7.3 2.1 2172 2111 Fog Bank Y50. 2102 12402 1240 83 GPG. 255 42.65 0 4.3 0 4.3 0 4.2 1240 1240 1240 1240 1240 1240 1240 124	243 144 Ellis & Fererard 171rat +1 fix6.67 27 3.7 13.3 ElBC 885 Engelhard U.S.SI.00 270% 72c - 3.6 - 3.6 222 114 Evote Group 256 -5 4,44 e 4.0 e 5 520 156 Forco Misses 215 -5 79.2 1.5 6.0 (3.5 135 66 Hospitar Group 10p. 75 +2 2.67 e 4.9 e 5 136 66 Hospitar (1.0 10p. 28	251 189 650 500 1257 153 29 46 96 950 643 10 10 10 10 10 10 10 1	2 153 173 90 Cooper (Alan) 10p 165 1410 23 13 10	A 390 631-Kompage 228 -2 82.25 3.5 1.4 28.0 27 3.6 177 Scara Scrop. 227 -4 6.81 2.6 4.1 9.9 227 -4 28.0 15.0 Schlemberger 90.01 217 -4 951.20 - 3.9 - 3.9 4.3 2.8 9.6 279.1 335 500.4 Schlemberger 30.01 278 - 3.5 4.3 2.8 9.6 279.1 335 500.4 Schlemberger 30.0 178 - 3.5 4.3 2.8 9.6 279.1 335 500.4 Schlemberger 30.0 178 - 3.5 4.3 2.8 11.9
124 83 GPG 8 8 42.5	230 106 blicken bit 164 -3 464 39 28 3.7 134	104 59 Hightand El, 20p 65 2.5 2.4 5.3 9.9 6.55 197 VSEL Comprehen P1 1580 -2 1581 2.1 2.1 1581 2.1	0 13.0 38.0 175 Courtory Pope Stp 180 -10 6.0 1 44 9. 11.2 1 12.0 10.0 11.0 75 955 Create 4.1 15. 38.0 -5 105.0 2 14.1 15. 80.5 7 12.1 12.0 10.0 11.0 75 11.0 11.0 11.0 11.0 11.0 11.0 11.0 11.	5 370 (155 Secarior Group 273 +8 (+1.07 5.1 0.5 498 5 372 151 1.0a W.WV 246 +3 (+1.07 5.1 0.6 452
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942 15th Statute Lagran II 500 1-5 300 15 15 15 15	405 253 Wolstenholme Rink. 275 9.0 3.0 4.9 10.2	[100 243 But CleanEmmin 420 45 4177 74 74 74 75 75 75 75	187 139 69 00 W 102 -1 45 17 60 11	- 286 108 Spring Rose 10a 399 -1 00.5 10.3 0.4 36.7 55 105 100: Stag Familian 116 55 0.7 6.8 04.7 7 226 78 8 stades Hestinal 106 -1 45 31 58 7.7 7 26 1276 Stag -Plus Sp. 171 146 7 4 8 13 12 14
164 91 F758 Charvet Istands. 148 5.4 2.8 4.6 9.2 100 660 Undon Discount £1. 813 +18 40.0 - 6.7 - 7.7 2.5 Warburg (S.G.) 333. 1 +10.0 - 4.1 193 102 10 6.7 6.7 6.7 6.7 6.7 10 6.7 6.7 10 6.7 6.7 10 6.7	DRAPERY AND STORES 17 14Asis Jeveniery 10p 346 +3 15.0 4.3 2.1 13.4 115 115 115 115 115 115 115 115 115 11	120 S0 Netterware in 10a 51 -1 \$1.1 - \$\dagger - 121 78 Surfers 10a 50 Netterware in 10a 50 121 121 78 Surfers 10a 50 123 124 125 125 125 125 125 125 125 125 125 125	40 376/255 EIS. 266 -5 47.5 2.6 6.0 13 14.1 15	3 263 140 Stering tot. 220 235 +10 3.1 1.4 2.6 31.3 5.6 5.6 5.6 5.6 5.6 5.6 5.6 5.6 5.6 5.6
Mira Durchara Lassina ale	116 53-Ahetone 100 115 481-481 125 132 141-Amber Day 2-g. 47 -2 2.7 490 200 Representation 50 270 5 125 1.7 1.5 543	285 165 Microfina Reprogram 293 32 3.7 1.9 19.9 499-1 15 46/o-Isolates 10a 27 -1 473 262 Microfina Reprogram 293 12.25 4.5 1.1 29.7 515 276 Booker 495 -4 13.75 1.6 473 265 Microfina Reprogram 293 412 25 4.5 1.1 29.7 515 276 Booker 413.75 1.6 413.75 1.6 413.75 1.6 414 200 Microgen Hides 5a 12774 55 42 7 - 122 3 155 Beatle Bros 10a 173 1.12 1.22 4.4	0 19.2 131 83 Viscounic Forestry, 181 2 3.0 2.5 4.1 13. 7 19.7 19.7 19.7 19.7 19.7 19.7 19.7 1	218 677 Seeds Ban M 7 989 878 -15 025% 4.5 27 5.6 5 22 88 72 Systems Hills 34 +1 -2 105.7 22 13 13.8 5 380 190 Systems Hills 34 +1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1 -1
240 150 Asgle Lessing 10p 168 12.6 6.3 2.1 10.2 296 132 CLF 50p	5 150 55 Do. W 5p. 85 225 1.7 44 171 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	155 113 Self-contacts 10a 248	# 165	1 250 105 (*Task Force 5) 125 -15 11.52 4.0 1.3 26.7 9 99 990 256 (*Flech Compt. leck. 465 140.0 3.8 1.4 26.8 11.1 Flech Polje2 Serv 19p. 223 120 5.3 1.2 21.0 10.5 151 Group 21 1.1 1.1 3.2 11.79
BEERS, WINES & SPIRITS	206 134 Bentalis 10p. 170 12.65 2.0 2.1 31.3 800 104 98# But Grappen AS. 189 +20		2 5.5 5.7 300 Eng. China Carys 3766a + 51 14.5 2.9 5.0 11.7 1.0 11.0 11.0 11.0 11.0 11.0 11.	130 133 136 137 137 138 137 137 138
471 290 Allied-Lyons 345 +2 11.4 2.4 4 10.1 2.0 11.0 17.0	253 93 948 Both Sentrals 10p. 170 122 123 123 123 124 124 125 125 126 126 126 126 126 126 126 126 126 126	65 41 Marray Decirrols. 42 -1 0.2 1.9 0.7 - 1.02 55 Caller's Weigs 10. 61 -2.7 3.2 1.9 1.7 9 NEC Corpu Y50. 866 -15 0.39 3.9 0.3 81.2 45 25 Caller's Weigs 10. 61 -2.7 3.2 21 57 9 NEC Corpu Y50. 866 -15 0.39 3.9 0.3 81.2 45 25 Datept V50. 311 +3 14.0 1.7 12.9 77.4 1.2 9 8 5.25 0.9 7.3 (2.6) 25 Datept V5. 311 +3 14.0 1.7 12.0 1.9 1.9 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	140 18 Englis Jewsley 53 -3 0.05	A 175 73 Toescoe T-Line 5p. 103
228 124 Bodingon 147 3.7 28 14 14 176 150 176 150 176 150 176 150 176 150	1 399 212 Barton Grasp 50p. 228 +1 7.2 28 4.1 11.6 6 250 175 Cantors 20p. 255 -5 191.5 6.5 0.8 22: 5 1377, 6 3 Ds. W 20p. 36 4.1 11.8 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 6.5 0.8 22: 6 191.5 0.8 22:	408 269 Revenuer (Louis) 900nd	7 229 - 129 37 37 37 3000 100 30 - 30 - 30 57 17	7 296 133 Transport Dev. 228 -3 17.5 22 4.5 13.2 0.64 135 Dev. Writes. 20 - 228 13.2 4.5 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 13.2 2.6 14.2
331 202 Berentin L.A.J Sp. 311 +1 3.0 4 1 1.1 1.1 1.2 1.2 1.2 1.2 1.2 1.2 1.2 1	620 430 Church 430 199 31 30 141 404 419 419 419 419 419 419 419 419 419 41	46 16 Decemies 10p 27 +1 8 346 1165 Gless Grows 56 199 141 52 480 113 Hell-cular Peck 1 335 180 2.6 2.6 - 125 147 Hell-cular Peck 1 35 2.0 5 - 125 147 Hell-cular Feb. 10p 64 3.0 2.6 454 150 December 10p 133 +3 113.8 120 135 Peck Hell-cular 10p 133 +3 113.8 120 133 Hazdeneou 10p 253 -2 122 40 13.9 140 140 140 140 140 140 140 140 140 140	## 180 ##	320 43 Triangle Trist 20p. 276
280-J 150 Greenal Whitley 181 +1 6.07 2.9 4.51 0.145-J 101 10-3.3950c0P12 111 +1 3.955-h -7.31 412 259 Greene King	5 1377, 63 Dn. W. 20p. 76 4 1215 6-5 2-4 8.5 7 198 63 Caster 10p. 76 2.6 2.9 4.7 9.6 7 345 140 \$Chelesa Rian 5p. 145 2.9 3.3 2.7 13.5 6 630 430 Cherch. 430 36 37 145 2.9 3.3 2.7 13.5 6 630 430 Cherch. 265 36 31 145 19.3 3.3 11.1 6 619 210 Coles Myer ASD. 265 3 146.69 3.0 3.5 11.5 2 33 120 \$Colert Action 5p. 185 at +2 12.2 9, 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6 1.6	1.50	A \$22 177 \$50-\$Fobel left 100 \$7 +1 \$1.0 \$2 15 13 13 17 17 105 \$50 \$Freech (Thos.) \$10a \$7 -2.06 2.4 \$7 10. \$7 20.4 12. \$7 \$60-\$Freech (Thos.) \$10a \$7 -2.06 2.4 \$7 10. \$2 21.8 451.8 \$13.8 \$	1 779 GS Uniferer 50 492 +1 110 51 0.9 31.8 11 9.0 127-0 100 100 100 100 100 100 100 100 100 1
125 55 50 50 50 50 50 50	- 425 [183] Direct Group 10	2136 211 Public Fin 53.% 278	15.4 255 150 500 202 42 13.7 kJl 2.5 17. 15.4 21.0 96.1 51.0 50. 12.0 14. 13.0 3.0 2.5 15. 15.5 377 277 500 50. 275	Very 115 - Ground Parking 20 225 - 473.25 3.6 1.9 18.3 25 5 5 49 25 129 Whate Stp. 20. 148 - 73.3 3.0 3.1 13.3 3.3 3.1 13.3 3.1 13.3 3.1 13.3 3.1 13.3 3.1 13.3 3.1 13.3 3.1 13.3 3.1 13.3 3.1 13.3 3.1 13.3 3.1 13.3 3.2 14.1 13.5 3.3 3.3 3.3 12.4 13.5 3.3 3.3 12.4 13.5 3.3 3.3 3.3 12.4 13.5 3.3 3.3 3.3 12.4 13.5 3.3 3.3 3.3 12.4 13.5 3.3 3.3 3.3 3.3 3.3 3.3 3.3 3.3 3.3
211 4 925 Marstanid Bartin W. (2114 + 4) 19.0 248 22 25. 154 110 Marstan Thompson. 115 7255 3.1 3.0 14. 453 280 #Merrydon Wise 350 +17 +15 3.7 2.1 17. 605 345 Morkan 470 +1 7.1 11 11 12. 266 189 Scott & New 20c 212 -2 +70 14 1.1 11.	5. 293 1300 Emple Stores 206 +11 +4.79 2.7 2.7 19. 5. 345 198 Etan 10p 26 -2 ro4, 7.30 2.9 19. 9. 161 128 Euro House Prots 5s. 246 —2 ro4, 7.30 2.9 19. 4. 225 971 Executer 20p 140 +5 62.1 5.4 2.1 12. 1. 274 114 SePicis (Shr) 20.05 132 — 14.4.5 2.4 2.3 20.	1 115 51 #Placence: 10p. 60 +1 12.1 2.6 4.8 8.9 148 55 #M6 Carch & Carry 73 +2 13.55 2.6 127 Pleasey 146 -8 5.79 2.5 5.5 9.8 195 36 Matthews (BL 87 14.79 4.11 17.75 #Publication Elect Sp. 90 -2	122 310 152 46t Sauthern 10p 225 +3 W152 22 32 18 1	227 145 (Samer Remord Gr. 5s) 170 +5 82.66 27 3.7 22.5 38 239 (Samer Remord Gr. 5s) 170 +5 82.66 27 3.7 22.5 38 2374 51 (Waterford Glass Sp. 46 46 48 28 20 4.5 7.6 46 25 28 28 22 10 36.7 7.6 46 47 25 28 28 22 10 36.7
200 100	7 1233 441,556 & Gold 150 47 1 1234 3.1 5.3 8.1 5.3 8.1 5.2 9.3 188 Empire Stores 202 41 14.75 2.7 27 15.5 15.5 29.3 188 Empire Stores 202 41 14.75 2.7 27 15.9 15.5 29.3 18.8 Empire Stores 202 41 14.75 2.7 27 15.9 16.1 128 Euro House Proto 5a, 266 45 14.2 2.1 12.4 21.4 2.4 2.5 9.1 1.4 847 16.5 (8hr) 25.0.5 1.30 1.4 847 16.5 (8hr) 25.0.5 1.30 1.4 847 16.5 (8hr) 25.0.5 1.30 1.4 14.5 2.4 2.3 20.1 14.5 15.6 15.7 14.5 15.1 15.5 15.7 14.5 15.1 15.5 15.7 14.5 15.1 15.5 15.7 14.5 15.1 15.5 15.7 14.5 15.1 15.5 15.7 14.5 15.1 15.5 15.7 14.5 15.1 15.5 15.7 14.5 15.1 15.5 15.7 14.5 15.7 15.1 15.1 15.5 15.7 15.1 15.1 15	1	7 9.5 195 115 Hairon 10 136 11.2 20 5 16.9 255 2157 10 10 10 10 10 10 10 10 10 10 10 10 10	10 128 Sys frieder. Sys Sys frieder. Sys Sy
BUILDING, TIMBER, ROADS	5 313 151 Freeman 313 49441 33 1.8 22 20 223 113 45abtcs 59. 225 223 113 45abtcs 59. 226 223 113 45abtcs 59. 226 223 113 45abtcs 59. 226 227 227 227 227 227 227 227 227 227	10 114 124 125 125 125 125 125 125 125 125 125 125	7 9.5 10.5 10.6 timen. 200. 90. 4-2 097. 51.9 (4.4 2.9 4.5 8 5 16.9 225.2157. b. in in 200. 97. 51.9 (4.5 8 5 16.9 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0 1.0	2 80 43 Whittingum 5p
449 252 AMEC 50p	L 223 2145 Crest University 215 224 5 32 20 17. 7 2145 2105 LUS A 2111 224 5 32 30 11. 3 129 62 Historical Innovation 210 75 -1 1.6 44 2 91 10. 0 225 96 Historical Resource 210 13 -1 3.75 1.6 5.9 14.	25 5 971 130 Recistor 5a 169 25 4.5 2.0 142 3.5 2.0 59 151 152 59 4.0 151 152 151 15	7.357 503 1900 Do. Cire Red Pri 325 +5 096.0 -12.11 11.0 500 150 Reasted Webting Sp 170 +5 60.4 40.4 4.1 13.7 48 12.0 12.0 15.0	A 168 105 to Supe Compositor 129 1 54% 5.6 - 5.6
605 68 Arectife 100 115 +1 +1.6 1 127. 570 142 FAstsand Group 100 428 1.30 1 143. 402 186 Astronoth 5 222 6.0 1 2.1 1. 4422 218 BPB text. 500 262 -3 166.25 14 2.1 11	10 363 1158 Nego Robinso 10p. 254 -10 4.01 2.7 2.2 23. 15 87 41 Holizs Groep So	200 222 Scholes (GH) 45 14.9 22 4.3 14.9 155 73 MSchierhant Migs. 51 21.33 0.27 157 MSchierhant Migs. 51 0.27 157 MSchierhant Migs. 51 0.27 157 MSchierhant Migs. 51 0.2	# 23.6 170 45 Stienth Care Surs. 86 +1 109 44 14 21 15 112 272 108 Report General 279 -1 142.9 2.0 4.7 14 16 15 Heater 1 279 -1 142.9 2.0 4.7 14 16 15 Heater 1 279 -1 15 -2 5.0 4.9 4.9 6	28 53 77 Mond (Uniter) 50 107 +2 23 24 32 14.7 1 34 4.0 9.8 1 9.0 25 Morcester 100 113 113 114 4.7 1.2 22.3 14.7 1.2 22.3 14.7 1.2 22.3 14.7 14.7 1.2 22.3 14.7 14.7 14.7 14.7 14.7 14.7 14.7 14.7
77 State Text 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	NO. 18W PARTIES VET. 159	197 63 Michael Bett. 64 61 7 7 16 15 7 16 16 17 17 16 17 17	10.5 777 43 Highgan & Joh 502 218 45 4 2 2 2 2 2 2 6 4 1 2 Highgan & Joh 502 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	9. 571 222 Mediconer 7. 252 45 2.83 3.2 1.0 3.6.7 2.8 4.6 4.6 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5
"322 1100 partitions" 222 8.01 24 4.9 10. 106 76 Bellivinsh 10n 96 -2 1.32 3.4 4.6 8. "532 175 Bertoley Friest 200 141 192.5 7.2 1.2 1.6 148 6.5 Bell Bros. 20n 90nd 6.75 136-188-186-187 20n 90nd 6.75 136-188-188-188-188-188-188-188-188-188-18	7 115 49 Leafle Wise 200 56 73 0.3 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7 1.7	15 215 RSynams Compt 56 104 46 Synams Designer 614 105 421 Systems Right, 105 120 120 Systems Right, 105 120 Systems R	1 1.3 1.3 1.3 1.4 fells 2.9 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2. 2.	34 24 45 Ti
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LONDON SHARE SERVICE

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NEWSPAPERS, PUBLISHERS 260 155 HACCORD Pab Sp. 125 142 154 187 127 128	251 68 Placein Freq. and Fin. 125 -2 12 131 131 137 65 Power Carp. 1210 138 -2 138 139 25 32 131 131 137 65 Power Carp. 1210 138 138 -2 138 138 138 138 138 138 138 138 138 138	202 149 Pening Mercantha 145 -1 3.75 1.0 3.5 222 119 Pering Overson 7s. 147nd -1 2.25 1.0 2.1 224 1277-Florido Tech. im 154nd -1 0.4 1.5 0.5 202 113 Florido Universit 134 -1 1.5 0.9 1.5 145 049 Foreiga & Cod 90 -1 87.9 1.0 1.2 23 640 Dr. Cap. 25 68 63 6127 25 640 Dr. Cap. 25 11 63 6127 25 43 Fundances lat 64 8.57 1.0 25.5	1.70 1.77 1.0 1.78 1.77 1.07 1	380 100 0. Class 5 (1980 0). 210	a simulation of contents of registers does not produced or part of capital, eximate, c. Cewis. 6 Dividend rate paid or payable on part of capital, cover based on dividend on full capital. 8 Redemption yield. 6 Flast yield, 9 Assumed dividend and yield, a Assumed dividend and yield after scrip lases. 6 Payment from capital sources. It Kenya, in laterim higher than previous total, in Rights: hose pending 4 Earnings, based on previouslamy figures. 2 Dividend and yield exclude a special payment. 6 indicated dividend: over relates to previous dividend, Pfe ratio bosed on latest annual earnings. 8 Forecast, or estimated annual learning dividend rate, cover based on previous graving armings, 8 subject to
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400 1377-gluone Counties Hidgs. 222 +2 1850: 4.3 2.5 12.7 1765 323 Integeredect. 358 -3 1050.7% 1.9 3.2 17.4 1760. Bit 2.5 177 field. Bits. Carnes. 10p. 102 45 45 177 field. Bits. Carnes. 10p. 102 45 175 177 Microsoft Counts. Corp. 238 +3 193.4.0 12.5 2.7 2.8 12.7 12.5 118. 4-Metal Roffcial 10p. 143 1 193.4.0 12.8 118. 4-Metal Roffcial 10p. 143 1 193.4 172.1 183. 184.6 1850.	185 185	464 304 Gen Consolidated 972 -4 10.45 1.0 5.3 1.25 8.1 German Secartities 95 1.7 1.1 2.5 5.5 2.5 00 Warrans 225	*80 28 Resigns Frost In. 35 0.1 5.3 0.4 7.70 100 Scientificars 2.5 125 (1821% - 2.0 - 11.8 48 Septer & Fraddarder 68 +1 125 127 12.7 12.8 12.5 1.6 1.7 12.6	160 63 Aiex Cosp US \$1.50. 80 15 15 15 15 15 15 15 1	other official estimates for 1986-87. & Assumed dividend and yield after pending strip and/or rights issue. M Dividend and yield based on prospectur or other official estimates for 1986. K Dividend and yield based on prospectus or other official estimates for 1987-88. L. Estimated annualised dividend, cover and PIE based on lottest assumit earnings. M Dividend and yield based on prospectus or other official estimates for 1987. M Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and size based on prospectus or other official estimates. T Figures assumed. W For formal figures. Z Dividend total to date. Abbreviations: at er dividend; ac ex scrip issue; ar ex rights; at ex all; all ex capital distribution.
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Feb ?8

LONDON SECURITIES traders continued to keep their heads well below the parapet as they waited for the disclosure of the UK December trade figures due at 11.50am today. Government bonds reversed early losses, encouraged by the fourth quarter GNP figures from the US, which foreshadowed a reduc-tion in economic growth. Equi-ties, however, had another poorly-traded session, with even oil shares looking subdued as British Petroleum formally posted its increased offer for Britoil.

Equity indices opened lower in the face of Wall Street's 25 point fall overnight, and moved within narrow limits through-out the day. The FT-SE 100 Index closed down 2.1 at 1765.2, while the market's fundamental uncertainty was again disclosed in the total of bar-gains traded through the Seaq system — the 5.00pm total of)49.7 was even lower than on

the previous day. Equities railied from s midsession fall of nine FT-SE points as the initially favourable reception for the 4.2 per cent growth in US Gross National Product for the final quarter of the year raised the curtain for a strong opening on

Wall Street.
There was no heart in the rally, however, and the biue chips were restrained by firmness in the pound at the end of the day. Among the firm exceptions was BAT Iodustries, which has been talking to City analysts this week shout its hid. analysts this week about its bid for Farmers Group of the US.

One of the best performers in the market was Glaxo, which features in a comprehensive, 80 page, review by Nomura Securities of 100 major UK and European stocks which will reach clients's desks this morning. Nomura was one of the first securities houses to recommend Glaxo, and the shares advanced 4 to 10% on turnover of 2.3m shares as whispers reached the market that the Japanese house had renewed its recommenda-

tion. Elsewhere, there was a lack of special situation stocks to enliven a somewhat desultory market. Ferranti failed to please the City with its half-time trading figures. A major contract for Thorn EMI from British Telecom kindled interest in rival telecommunications manufacturers. But the retail and consumer sectors traded

narrowly.
There was oo alteratioo yesterday in the City's forecastsfor the UK trade figures, which are

Government bonds firm ahead of trade figures but

expected to disclose a current account deficit in the \$400m to

account deficit in the \$400m to \$500m range.
Whatever the outcome of today's trade figures announcement, many City analysts are cautious over the outlook for the equity market. Amanda Sells, chartist at Chase Manhattan, warns clients that FT-SE tan, warns clients that FT-SE 1800 has thrice proved impregnable, and that "technical factors are bearish" for a market close to a significant testing level of FT-SE 1740.

Government bonds responded positively to the GNP figures from Washington, and even more so to the jump of 1½ points in US Federal bonds on the back of the announcement.

the back of the announcement. British Government bonds, which had been about 4 down

in early trading, as the market backed off ahead of the UK trade figures, bounced upwards to close with net gains of up to % at the long end. Trade was moderate, bowever, with few retail investors willing to enter the market.

Index-linked issues, now wholly untapped, scored fur-ther gains of up to % point, despite some indications in the GNP statistics of reduced infigtionary pressures in the US. Turnover, and investment interest in the IL stocks has shrunk as domestic concern with inflation has slackened. Several major houses have redoced their trading commitment to the IL stocks, and some have recently dispensed with IL spe-

cislist traders.
The Thorn EMI/Ericsson announcement of 8 £20m contract to supply System Y equipment for British Telecom's public telephone exchange caused confusion and heavy trading in the shares of rival manufacturation. ers. Plessey and GEC, which manufacture the more widely regarded System X, came under attack on the assumption that their system had lost its domi-

Plessey, in particular, were hard hit and fell to 144p amid a turnover of 15m shares before ending 8 lower on balance at 145p. GEC also traded heavily volume totalled 8.7m - and closed 2½ easier at 157½p, but Thorn EMI improved 5 to 574p. Late last night it was being suggested that the GEC/Plessey consortium would amounce its portion of the BT cootract next week.

Lloyds insurance brokers came under selling pressure yesterday as Wood Mackenzie, now a County NatWest subsidiary, took an extremely bearish view of the sector. Wood Mack believes that London's marine and aviation insurers are facing a big fall in income because of premium rate cutting forced by overseas competitioo and

business in equities still sparse

	Jan.	Jun.	ļ	. Jan	Japa,	Year	198	7/86	Stace Co	repliables
	27	26	25	22	21	Ago	High	Low	High	Lów
Soverniera Secs	89.21	86.94	89.39	88.69	88.59	85.31	93.32	83.73 C19/20/87)	127.A (9/1/35)	49.18
Fined Interest	95.21	95.27	95.46	94.70	94.73	93,47	99.12	90.23	105.4	50.53 (3/1/75)
kdasy 9	1415.6	1418.0	1424.6	16370	1404.0	1440.A	1925.2	1232.0	1925.2 Q67/87)	49.4
Gold Alloes	258.2	265.7	279.1	279.9	279.9	337.1	497.5	261.6	73A.7 (15/2/83)	43.5
ord, Div.Yield	4.41	442	4.43	4.40	4.45	3.96		S.E AC	TIVITY	
Earnings Yld. %(felD	11.34	11.16	11.19	11.02	11.16	9.29		ndices	Jes.26	J=25
P/E Ratio (net)(*)	10.98	10.96	10.92	11.12	10.98	13.20	GDt Edged	Baryains	1775	140.9
SEAQ Bargains (5pm)	22,053	23,534	22,950	26,744	25,150	39,468	Equity Bary	plus	2024.5	158.0 1469.6
Equity Tornover (Cm)		1001.59	727.97	1036.41	1140.10	1493.77	5-Day aren	ge	15.50	1
Equity Bargains		26.111	24,392	31,202	26,919	40,857	Cilk Edged	تعلموجيً	138.0	1244
States Traded (nd)	-	366-2	307.5	470.1	426.1	575.1	Equity Sary Equity Valo		19218	174.3
	$\overline{}$						2	Г <u>а</u>	7 17	
♥ Opening 10 a 1412.1 141		11 am		2 p.m. 109.8	1 p.r 1410		2 p.m. 1411.7	3 p.m 1413		16.6

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LONDON REPORT AND LATEST SHARE INDEX: TEL. 01-0898 123001

recent US currency weakness. It has accordingly slashed its profit and dividend forecasts for several top-line companies for 1988.

Wood Mackenzie has downgraded its profit estimate for Sedgwick to \$50m pre-tax from £80m and expects a 4p cut in the annual dividend to 8p. On a volume of some 3.7m shares, the Sedgwick share price dipped to 210p, a net fall of 17. Willis Faber also soffered. Wood Mackenzie expects 1988 profits to come out at £61m against a previous estimate of £72m, and the price dipped 10 to 232p. C.E. Heath were another casualty and shed 12 to

London International Group closed 4 better at 270p in the wake of a buy recommendation from Barclays de Zoete Wedd (BZW), a leading London securities house. BZW believe that after recent underperformance, the shares are looking modestly valued in view of the company's outstanding prospects, both in the short and longer

BZW analysts remain confident in their pre-tax profits forecast of £33m for the current year which represents a growth in earnings per share of 19 per cent. This is expected to rise to 26 per cent in 1988/9, accelerating further in the foileristic further in the further in the foileristic further in the fu

company keeping its contract to distribute in the UK the prod-uct of Martell, the French cognac house. The suction for cognac house. The anction for the latter took a fresh turn fol-lowing a report that a higher bid from Seagram, the Cana-dian drinks major, would secure the support of the Martell fam-ily which, twenty four hours earlier, had conditionally accepted increased terms from Grand Metropolitan, the leading UK herwing group.

UK brewing group. Matthew Clark shares have been ont of fashion for some time, reflecting the uncertainty surrounding the Martell situation, and receotly touched a 1987/88 low of 332p. But the revival of demand yesterday brought a close of 12 higher on ssion at 355p.

the session at 355p.

Britoll traded busily as BP posted its offer of 500p cash, which has already been provisionally accepted by Atlantic Richfield in respect of its 24 per cent stake. With the market still cantious over the political background surrounding the UK Government's Goldeo Shares, Britoil improved by 1½ to 472½p with 2.8m shares traded.

the session with Commercial Union some 5p easier at 337p on talk of a sizeable selling order in the offing.

Renewed stories that a predator was stalking regional brewer Greene King ecocuraged further speculative interest which left the shares 7 traded.

accelerating further in the foilowing year.

Matthew Clark spurted
higher as hopes revived of the

There was heavy trade (2.6m)
in Tricentrol, 7 better at 160p chemicals (2) BASF AG. Bayer AG. as the market looked for either STORES (1) Babyer High. Electricals an increase in the 145p offer (1) Momes, FOCOS (1) Despair Foods.

from Elf, or a counter-bid from elsewhere. Elf admitted that it had receved acceptances for only a further 0.6 per cent of Tricentrol shares - it already

held 7.5 per cent.

British Gas, in an active session, shed 1 to 136p. But Burmah fell 7 to 481p lack of news to support recent bid specula-

insurance sector marketmakers, although mainly occupied with Lloyds brokers, also found time to accommodate operators who favoured a switch out of recently-firm Abbey Life into Prudential; the former were shaved 9p to 253p, while the latter responded to the switch with a gain of 23 at 855p. Composites languished for most of the session with Commercial

higher at 482p. Merrydown, the cidermaking concern, also atrengthened, gaining 17 to 350p in thin trading. Dealers were sceptical of reports suggesting a possible bid and pointed out that much of the day's trade was between marketmakers. ketmakers.
Leading Building issues gave
another lacklustre performance
with business still at a low ebb.
Blue Circle, which upped its
offer for Birmid Qualcast to
380p per share cash on Tuesday, managed a minor gain at 434p, following an analysis 434p, following an analysts meeting, but other majors were inclined easier in the absence of any worthwhile buying interest. Elsewhere, Barratt Developments attracted support as bid rumours resurfaced and firmed 4 to 183p, while George Wimpey continued to trade firmly at 255p, op a penny. Fresh demand ahead of tomorrow's interim figures litted Robert M. Douglas 8 to 280p, while buying in the wake of the annual meeting bosted Gleeson 10 to 425p. Tilbury gained 8 to 273p in a restricted market. 8 to 273p in a restricted market and Tay Romes moved up 11 to 332p in similar circumstances. Hey and Croft added 5 to 132p following the annual results although one leading market-maker viewed the figures as

slightly disappointing.
Printing industry supplier
Coates Brothers continued to
attract buyers in the wake of
recent acquisition news, the A
shares rising 8 afresh to 360p. S to 64p.
With the exception of Hanson, which traded reasonably briskly (some 7.7m shares changed hands) and closed a Despite another extremely. quiet trading session, Stores ended the day with several noteworthy movements. W.H. Smith, which produced preliminary figures much in line with recent analysts estimates, fell away to 317p before closing a little above the day's worst with a fall of 8 on balance at 320p. Sentiment was not helped by worries about the outlook for the company's wholesale operations and uncertainties over the Book Club deal. Storehouse, up 7 at 255p, met with speculative demand amid talk that both Mr Tony Clegg and Mr Robert Maxwell had sold **NEW HIGHS AND LOWS FOR 1987/88**

their holdings in the company. However, marketmakers were inclined to discount the rumours. Mail Orders were featured by further good buying of Empire which advanced afresh to deep 11 deeper at 242n. Empire which advanced arrest to close 11 dearer at 242p.
Ferranti fell after disclosing interim profits below expectations which caused most analysts to lower their forecasts for the full-year. Citicorp Springerous Vickers said the

for the fuil-year. Citicorp Scrimgeour Vickers and the shares are not expensive but the group operates in a highly competitive industry which could be affected by cuts in defence expenditure. Ferranti closed 6 down at 80p. Racal Electronics remained friendless following comment on the closed 6 down at Sup. Headless following comment on the half-year results losing 8 more to 207b, but STC improved to 207b, but STC improved to 242b after news of the award of a £16m contract for extension of the City fibre network.

Birmid Qualcast, unaltered on the day at 369p, were again briskly traded (some 6.3m shares went through the Seaq system) as Blue Circle Industries continued to pick op shares in the market following its increased offer of 380p cash. At noon yesterday BCI amnounced that it had increased its holding in Birmid to 27.6 per sion of the City fibre network.

Birmid Qualcast, unaltered on the day at 369p, were again briskly traded (some 6.3m shares went through the Seaq system) as Blue Circle Industries continued to pick op shares in the market following its increased offer of 380p cash. At noon yesterday BCI announced that it had increased its holding in Birmid to 27.6 per cent. Elsewhere in the Engiamnounced that it had increased its holding in Birmid to 27.6 per cent. Elsewhere in the Engineering sector, Camford dipped 10 to 163p on the announcement of disappointing preliminary figures. News that European Fire Protection, a private company, has conditionally acquired a 14.9 per cent stake in Downibrae Holdings failed to help the latter wich gave up to 64p.

**Emong analysts' recommendations as a long-term "buy" but yesterday's advance may have been encouraged by the withhald been hanging over the market. The shares settled at the day's best level, showing a rise of 22 to 416p.

The disclosure of another loss in the traded options market, this time of £3.05m, and the resignation of the dealer con-

in the major international stocks remained at a low level. Wellcome firmed 5 to 402p following publicity given to the three-day conference in London to discuss international efforts three-discuss international efforts to fight the Aids disease. Press
Tools, in which Mr Greg Hutchings recently took control, advanced 12 further to 347p on the proposed acquisition of the proposed acquisition and the proposed acquisition acquisition and the proposed acquisition the proposed acquisition of puts. Copyright Promotions Group. Copyright Promotions Group.
Satisfactory preliminary figures left Hodgson Group 5 to the good at 241p with Kenyon Securities improving 7 to 300p in sympathy. Robert Maxwell stake speculation prompted a fresh gain of 10 to 424p in Delaw Lander, Still reflecting the company's recent development of its commercial paper programme, BET improved siresh to close 4 higher at 242p. Rank Organisation, scheduled to reveal preliminary figures today, met with occasional nervous offerings and gave up 15 to 587p. Excellibur, up to 60p at one stage in response to the half-year figures, fell back

sharply to close 3 off on bal-ance at 53p.

Hammerson A continued to Hammerson A continued to feature the property sector, the price rising a forther 22 to 564p, a two-day gain of 41, amid persisteot speculative buying fuelled by takeover rumours. It was confirmed yesterday that Mr. N.G. Ellis, a Hammerson director, has asked to be released from his contract of service with the company; he of service with the company; he is expected to take up a posi-tion with BAA. The leaders, firm of late reflecting a bullish review from securities house review from securities house Warburg, marked time as business tailed off. Land Securities, with only 310,000 shares traded, were a shade dearer at 480p, but MEPC, a penny better at 460p, enjoyed a reasonable two-way business with some 1.3m shares changing hands. Rosehangh attracted good support early on and

resignation of the dealer con-cerned unsettled Smith New Court, which closed 20 lower at 163p. Only last week the independent securities house announced a provision for a loss of £1.25m incurred in the same market.

Tuesday's renewed enthusi-asm for Traded Options proved

half-year figures, fell back double options were reported.

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FT - ACTUARIES INDICES

These Indices are the joint compilation of the Financial Times the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS	Wednesday January 27 1988							Mos Jan 25	Fri Jan 22	September 1
FI	& SUB-SECTIONS gures in parentheses show number of stocks per section	Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (27%)	Est. P/E Ratio (Net)	nt act. 1988 to date	ladex No.	Serden No.	Spalex No.	facity No.
1	CAPITAL 600DS (209)	737.40	-0.7	9.77	3.93	12.83 12.37	1.05	742.72	741.25	742.84	770.79
21	Suikling Materials (30)	975.94	-0.5	10.05	3.86	14.53	0.43	988.84	974.64	978.82	
3]	Contracting, Construction (34)	1469.30	+0.4	9.13	3.39		0.38			2643.40	
41	Electricals (12)	2041.33	-0.1	9.14	4.74	14.18	9.00	2044.35		1517.79	1
5	Electronics (32)	1484.59	-1.8	10.87	3.52	12.00	6.99	1511.27			
6	Mechanical Engineering (57)	387.49	-0.5	9.64	4,30	13.09	8.19	389.24		387.59	
8	Metals and Metal Forming (7)	437.23	-0.3	9.84	3.83	12.25	0.00	438.64	441.83 272.96	444.63 276.28	307.6
9	Motors (13)	275.84	-0.2	10.99	4.21	10.59	0.00	276.30		1260.72	1291.6
10	Other Industrial Materials (24)	1242.55	+0.2	8.39 8.53	4.18		2.67	1255.69			
21	CONSUMER GROUP (184)	1041.73 983.21	+0.2	11.32	3.51 4.61	14.95	0.02	3039.75 981.03		983.65	
5	Food Manufacturing (23)	852.79	-0.3	8.96	3.78	1442	1.06	855.13		856.39	794.4
26	Food Retailing (16)	2075.67	-0.6	7.76	2.96	17.12	419	2008.56		2078.13	
27	Health and Household Products (10)				2.49	18.31	0.03	1775.13		1781.56	
29	Leisure (31)	1193.54	+1.5	6.52 7.71	3.95	16.14	8.00	1188.13		1180.75	
37	Packaging & Paper (16)	495.10	-0.2	B.64	3.71	15.23	8.46	476.04			956.3
32	Publishing & Printing (16)	3432.35	+0.3	6.64	4.30	18.93	4.11	3471.23		3430.40	
34	Stores (34)	846.82	-0.1	8.96	3.62	14.96	0.25	857.43	240.42	854.56	
35	Textiles (17)	589.41	-0.7	11.13	3.97	10.37	0.00	593.65		595.40	
40	OTHER GROUPS (92)	254.38	-0.2	10.61	4.27	11.76	0.57	865.73		863.32	
41	Agencies (19)	1092.99	-0.3	6.68	2.23	19.19	0.61	1096.43			
42	Chemicals (20)	1048.79	-0.7	9.74	4.47	12.61	3.22	1056.32			
43	Conglomerates (13)	1165.13	+0.1	10.08	4.48	11.58	0.00	1163.90			
45	Shipping and Transport (11)		+0.5	9.85	4.44	14.48	0.00	1842.24		1838.49	1712.4
47	Telephone Networks (2)	983.24	-11	11.92	4.69	11.17	0.00	913.19		989.52	280.3
48	Miscellaneous (27)	1170.81	+1.5	12.89	4.05	9.25	0.36	1153.42		1133.18	
49	MOUSTRIAL GROUP (485)	924.43		9.41	3.82	13.39	9.76	925.73		925.92	934.7
			-0.1	_							
52	Oil & Gas (15)	1737.29	-0.2	9.57	5.66	12.89	2.00		1750.50		
59	500 SHARE MIDEX (500)	993.33	-0.2	9.44	4.10	13.31	8.78	994.86	993_87	996,42	994.5
61	FINANCIAL GROUP (124)	657.70	-0.4	-	4.79	-	0.21	648.25	657.09	658.52	659.2
62	Banks (8)	445.49	-8.9	19.98		6.64	0.00	671.67	669.78	673.63	730.3
65	Insurance (Life) (8)	986.83	+0.5	-	4.66	-	0.00	981.61	973.19	979.71	924,5
66	Insurance (Composite) (7)	509.38		! -	541		0.00	309,35	584.22	504.95	
67	Insurance (Brokers) (8)	895.23	-42	12.38		10.34	0.98	154.56			
68	Merchant Banks (11)		-0.3	-	4.12	-	0.90	346.74	348.64		. 384.1
69	Property (52)	1022.08	+0.2	5.17	2.99	24.71	0.32	1026.39			831.9
<u>70</u>	Other Financial (30)	391.42	-0.4	9.35	4.32	13.50	1.10	392.81	392.79	394.21	465.9
71	Investment Trusts (86)	838.42	-0.5	-	3.05	-	6.81	842.93	238.72	\$42.67	
B1	Mining Finance (2)	423.98	+0.9	10.72	4.03	10.51	0.00	420.16	622.57	432.89	3743
91	Overseas Traders (8)	1008.64	+0.7	9.51	5.02	12.42	0.00	1002.03	1814.61	1819.74	245.3
99	ALL-SHARE MIDEX (720)	902.73	-0.2	-	4.18	-	0.57	994.39	961.57	905.54	96L3
		Index	Day's	Day's	Day's	Jan	,lans	Jee	Jan	Spe	Year
		No.	Change	High	Law	25	25	22	21	20	500

	FIX	(ED I	NTE	REST				AVERAGE GROSS REDEMPTION YIELDS	Wed Jan 27	Jan 26	(approx.)
	PRICE INDICES	Wed Jan 27	Day's change %	Tue Jan 26	xd adj. today	xd adj. 1988 to date	1 2	British Government Low 5 years Compass 15 years	0.02 9.33 9.19	8.89 9.39 9.26	,9.30 9.85 9.86
2 3	British Gargnment 5 years 5-15 years Over 15 years Irredeemables	122.96 139.95 148.95 165.11	+0.37 +0.59	122.76 138.53 148.08 164.31	-	1.08 1.31 0.00 8.00	8 9	25 years 5 years 5 years 25 years 15 years 25 years 16 years 25 years 17 years 18 years	9.37 9.53 9.37 9.46 9.68 9.41 9.24	9,44 9,59 9,42 9,53 9,73 9,46	10.32 10.13 9.95 10.35 10.28 10.01
6 7	Ali stocks	136,34 124,74 114,24 114,94	+0.02	113.94		0.00 0.36 0.33	11 12 13	Index-Liched Inflation rate 5% Inflation rate 5% Inflation rate 5% Inflation rate 10% Inflation rate 10% Inflation rate 10% Over 5 yrs. Inflation rate 10% Over 5 yrs.	2.41 3.99 1.45	2.41 4.00 1.45 3.83	3.58 3.75 1.90 3.58
9	Debenbares & Leans		-0.37	117.88		0.63	15	Debt & 5 years	10.90 10.86 10.86	10.86 18.81 18.81	10.96 10.96 10.96
10	riciti ett.E		1) _	1 335	18	Preference	10.51	10.54	11.43

Opening index 1758.9; 10 am 1763.1; 11 am 1760.0; Noon 1758.3; 1 pm 1758.8; 2 pm 1760.3; 3 pm 1762.4; 3.90 pm 1763.7; 4 pm 1766.1

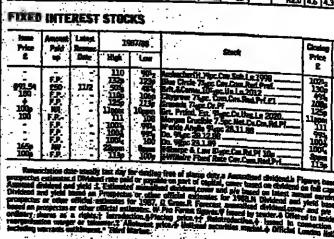
LONDON TRADED OPTIONS

(*338)	330 360	33 17	30	72 53 40	退步	28 45
(*112)	120 120	15 10 5	20 15 8	18	4 8 24	5 11 16
Wednorth (*271)	260 280 300	22	49 37 22	47 37	15 27 45	25. 37 50
Option		Feb.	May	Ang.	Feb.	May
Option Brk Aero (*368)	350 360 390	Feb. 43 18 6	53 36 22	Ang. 65 50	Feb. 4 11 25	18 33 50
Brk Aen	350 360 390 100 110 120	43 · 18			4	

SHIPPING (1) P & O 5.5pc, Red. Non-Cum. Pref. TEXTRES (1) Confident, TRUSTS (2) New Darler Oll Tat., Warrior Industries, Oil.5 (1) Genog Res. & Inv., PLANTATIONS (1) Grand Central, NEWSS (12) Durbat Deep, Cors. Mod'bin, Kiross, Harmory, Lorains, Impels Plat., Lydenburg, Emporer Mines, Enterprise Gold, Jingelfc Mines, Julia Mines, North Kalgurija.

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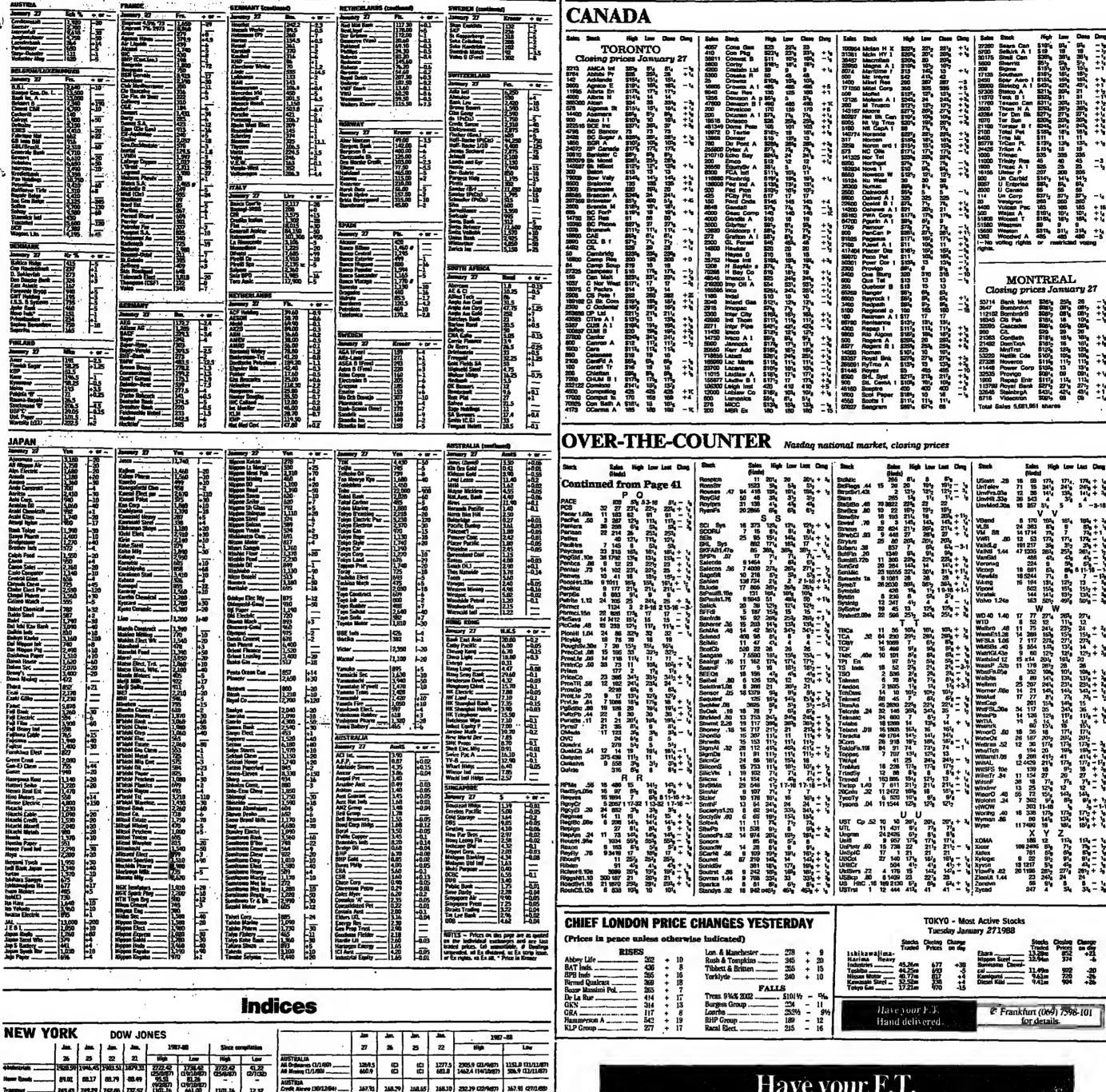
LONDON RECENT ISSUES EQUITIES FIXED INTEREST STOCKS



Time Option

1012

WORLD STOCK MARKETS



NEW Y	DRK		DO	W JO	NES					Jae	Jan.	Jan.	Jac.	1987	-88
	1 500	1	1 1) see.	19	07-88	Since or	propilation	· .	27	26	25	22	tligh	Low
	26	25	22	21	tiigh	Low	High	1.04	AUSTRALIA						1151.0 111/11/85
+heliesprials	1920.59	1946.45	1903.51	1879.31	27722-42	1738.42		40.22 (2/102)	All Ordinanes (3/1/80)	1269.5 660.9	8	(C)	1277.5 681.8	2905,9 (21,19(87) 1462,4 (14/14/87)	554.9 (11/11/87
Home Books	89.02 743.43	88.17 749.29	88.79 742.86	737.57	95.51 (9/2/87) LIGIL 16	01.26	n -	1232	AUSTRIA	167.91	168.79	358.55	268.10	232.19 (22/9/87)	267.93 (27/2/88
Uzlikies	181.50	184.15	182.25	178.64	(3.4/8/87) 227.83	661.00 (4/12/87) 160.90	0.48877 227.83	(8/7/32) .10.50	BELGIUM						
,			I ME ES	110.04	(22/Ven	0.9/10/87	1 22/180	18/4/320	Brussels SE (1/1/84)	3893.5	3908.7	3855.9	3857.1	5A12.2 (L3/8/67)	3503.8 QB/12/87
4Day's High 1957.73 STANDARD AND PO		Low 190	6.50 (ZB ⁴	7.053					DENMARK Copenhages SE (3/1/83)	184.39	184.42	184.55	184.58	219.76 (27/8/67)	179.60 (20/11/67
Compasse #	299.57	252.17	246.50	243.14	336.77	223.92	334.17	4.40	FINLAND Beitas General (1975)	554.3	553.5	550.5	549.9	679.1 (15/10/87)	425.2 (5/1/87)
minuriah	265,38	200.64	252.44	278.48	395.17 (25/6/87) 32.43	255.43 (4/12/87)	393.17	22,632	FRANCE	25-3	3333	2003	347.7	677.1 (15/14/87)	252 GIDGI
Forchis	22.63	22.85	22.30	22.08	(25/8/87)	702/87	32.43 (25/6/87)	E/10/74)	CAC Several (33/12/82) int. 7entinoe(31/12/87)	25A.2 91.2	256.2 92.5	255.3 91.7	258.1 91.9	460.4 (26/3/87) 103.7 (6/1/98)	254.2 (2771/88) 91.2 (27/1/88)
NYSE Composite	140.25	141.51	158.69	136.97	187.99 (25/8/87)	125.91 (4/12/87)		4.46 (25)4/42)	GERMANY						
AMEX MIC. WHEN NASDAQ CTC Comp _	265.77	267.05 340.51	265.62 337.53	263.77 334.25	345.01 (13/8/87) 455.28	231.90 (4/12/87) 291.90	365.01 (13/8/87) 455.28	29.31 19/12/72) 54.87	FAZ Akuen (31/12/56) Commerzbank 11/12/53)	405.54 1237.8	408.68 1246.9	406.52 1241.8	408.17 1246.4	676.84 (6/1/87) 2061.1 (17/8/87)	400.13 (10/11/67 1220.9 (10/11/67
teamed nir black -	339.27	L			(26/8/87)	(28/10/87	(26/6/87)	(31/10/72)	HONG KONG Rang Seng Bask (33/7/64)	2412.62	2426.05	2407,29	7422.38	3949.73 (1/18/87)	1894.94 (7/12/87
Dow todastrial Day.	VI_LA		a. 22	35		3.62	year ago (TALY						
noe streethie fast	1100		n. 21	Jan.		6c. 23	year ago (Banca Com. teat. (1972)	462.49	463.33	462.69	474.81	767.34 (30/4/87)	462.49 (27/1/88
& P Industrial div.	yipid		1.23 5.42	15.0		2.99 36.64	2.8 18.9		JAPAN	23335.91 1882.75	23498.76 1896.95	23318.40 1861.71	22876-58 1821-51	26646.43/14/10/67) 2258.56 (11/6/87)	18544.00 (13/1/8) 1557.46 (13/1/8)
FRADING ACTIVITY			14] چەسىلەر			W YORK	5 Jan. 22	NETHERLANDS						
	1675 on	25	· 22		mes Traded				ARP-CBS Gentral (1970)	214.7 165.8	215.7 165.7	214.7 165.1	214) 164.8	334.1 (14/8/87) 280.9 (11/6/87)	192.2 (10/11/87) 147.5 (10/11/87)
Hew York	135 111	276.329	145.80	no 1 :	intes	=	919 435 449 386	1,963 1,131 416 416	140RW4Y 04o SE (4/1/63)	333.53	341.25	344.60	346-93	592.04 (21/9/87)	307.48 (10/11/87
тс :	102.909	106.865			lew Loars	<u> </u>	14 11 14 11	13	SHIGAPORE Strats Times Incl. (30/12/66)	897.3	907.3	908.9	4041	1505.4 (26/8/87)	700.4 (7/1.2/87)
CANADA	1 1		3m.	Jan.	-		1987-88	<u> </u>	SBUTH AFRICA ISE Gold (28/9/78) ISE Industrial (28/9/78)	1U1 1U3	1366.0 1481.0	1468.0 1501.0	1500.0 1510.0	2499.0 13/8/87) 2266.0 U.6/10/87)	1366.0 (27/1488 1402.0 (23/11/87
Votats & Minerals		454.3 049.2	25 2472.2 3083.1	22 2516.9 3102.0	27 2505.9 3106.9	High 3507.5 (5/1) 1112.9 (13/1	1998	2 (2/1/87) 3 (28/10/87)	SPAIR Madrid SE (30/12/851	247.97	250.65	250.03	245.20	325 44 (6/10/87)	201.08 14/12/87
HONTREAL Particle				1545.14		22U7 US		4 (26/10/87)	SWEDEN Jazobson & P. (31/12/56)	2389.5	2416.3	2396.3	2346.2	3267.1 (8/10/97)	2068.6 (10/12/87
NEW YOR	K A	CTI	VE S	TOC	KS				SWITZERLAND	 	1	-	 		-
	Stocks	Clay	g Char			Se	ocks Closes	Garage to the	Sonsa Bank Int. (31/12/58) WDRLD	4TFA	477.3	478.5	475.B	729.7 (5/10/87)	450.9 (10/11/87)
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MC Fertiliter Eastman Keelale Southern Co ad	1622 1 1579 0 2072 6	00 23	- 1	AT TO	AT		70,900 284 150,200 354 28,200 267		** Satur	rday Jame	try 23: Ja	par Kildu	23,125	33. TSE 1,855.56	
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WORLD STOCK MARKETS

_-g-AMERICA-, -

Dow follows erratic path before giving up gains

Wall Street

FOR LACK of any conviction of its own, the equity market sometimes seems to move in tandem with bonds and at other times just drifts around aimurrites Janet Bush in

By the close, the Dow Jones Industrial Average had lost a morning gain of around 20 morning gain of around 20 building up steam in recent points to close 9.45 points days as evidence appeared to accumulate that the economy relatively subdued with about was indeed heading for a slowrelatively subdued with about 185m shares changing hands.

Movements in the bond mar-ket this week have been pre-dictable, but stock market fluc-tuations have simply seemed The stock market had fallen

on Tuesday as bonds reacted negatively to a substantial jump in durable goods orders in December.

Yesterday, equities recovered modestly during morning trade, as bonds soared in reaction to fourth quarter US gross national product figures, which were seen to offer evidence of coming weekness in the company coming weakness in the econ-

In a rational world, equities ahould respond negatively to signs of weakness in the econ-omy. In contrast, bonds benefit from any slow down in the economy, because the chances for lower interest rates

The most dramatic movements occurred in the bond market, where the Treasury's 8.875 per cent 20-year bench-mark issue jumped almost two points to yield 8.53 per cent, its lowest level since mid-July last

large component of the 4.2 per cent rise in fourth quarter GNP, higher than the average forecast, which had been for an standard surged \$20% to \$58%, wiping out the premium built into Black & Decker's increase of nearer 3.5 per cent to 3.8 per cent.

The boud market was also pleased with a lower than expected GNP deflator at 2.7 per cent, which was also lower than generally forecast.

The bond market had been

on Tuesday, when the durable goods orders were released, but

revived again with a vengeance esterday. For some economists, yesterday's figures pointed to first quarter growth of only around

per cent. Others were less pessimistic and said growth would still be between 1½ per cent and 2 per ceut in the first three months of

The bond market was also waiting for the Treasury's announcement of its plans for the quarterly refunding in the first week of February, with most market participants expecting a smaller than usual refunding of around \$27bn, compared with \$29bn previ-

refunding of around \$27bn, compared with \$29bn previously estimated.

There is no overall direction or momentum in the equity market. The only interest this week has revolved around takenover stocks, which helped the market to its only day's gain this week, on Monday.

The focus of attention yesterday was on the announcement of another big takeover bid.

AS ADVANCES in banks, energy issues and industrials outweighed falling gold issues, stocks posted a small gain in mixed trading.

The composite index, which had risen about 17 points in earlier trading, gained 7.50 to 3075.70, as declines outpaced advances by 440 to 379 on light turnover of 22.9m shares.

Among most actives, John

of another big takeover bid

price slide

proposals to tax unrealised capital gains and weakness in overseas markets were particularly blamed. NZ Forest Products itself

The acquisition of Rada by Elders and the proposed merger of NZFP with an Elders subsidiary, Elders Resources, effectively gives the Australian company control of NZFP at a nomi

been unhappy with develop-ments in NZFP over the past six months. There were angry scenes at an extraordinary general meeting, ini-tiated by a major sharelast week. Several share bolders strongly criticised the actions of Mr Bob Gunn NZFP and Rada chairman,

Sbareboldera also demanded further information about a NZ\$130m deal in which Rada sold its balf

in which Eads sold its half chare in Australian mining company, North Broken Hill holdings, to NZFP.

Both Eads and NZFP say they would welcome investigation and will co-operate fully with the registrar so that speculation which has surrounded the companies can be allayed.

over a parcel of Rada shares, totalling 20 per cent of the company, continues with an Anckland broker with an Anckland hroker challenging Crown Corporation to go to court to determine who should pay for them. The broker, Hendry Hay Mcintosh, denies it is liable for the 127m block of shares. Last September, Crown appeared it was

pany. Williams dipped \$1% to \$17%. Canada

Williams in return for a major ity stake in the combined com-

Life Indemnity subsidiary to

The same thing happened ear-

lier this week when Federated Department Stores immediately

surged above the \$47 a share offer made by Campeau Corp of Canada. Federated Department Stores yesterday slipped \$% to

Foster Wheeler added \$4 to

\$14%. The company announced that it had received a letter

that it had received a letter from investor Asher Edelman proposing discussions on a takeover at \$15.50 a share or a recapitalisation plan invoived the distribution of cash and securities. Edelman said he and others had a beneficial stake in Foster Wheeler of 11.6 per cent. Primerica rose \$1% to \$26% after news that it had started talks with A.L. Williams Corpabout a possible deal, in which Primerica would transfer its Massachusetts indemnity and Life Indemnity subaldiary to

Among most actives. John The key to the bounce in bond prices was the large build up in inventories which formed a Standard for \$56 a share.

Black & Decker said it had Labatt gained C5½ to C\$25½ and Dome Petroleum advanced one cent to C\$1.03.

ASIA

Nervous profit-taking sets in and tips Nikkei lower

Tokyo

THE OVERNIGHT decline on Wall Street subdued investors in Tokyo yesterday and share prices tipped downwards for days, writes Shigeo Nishiwaki of Jiji Press. the first time in five trading

Nikkei stock average ended 162.85 points lower at 23,335.91 and volume picked up to 839.01m shares, up from Tuesday's 572.08m. Declines outnumbered advances by 507 to 413, with 125 issues unchanged.

fresh incentives to encourage buying, despite the start of trading for February delivery. Interest was also undermined

NATIONAL AND REGIONAL MARKETS

on the strength of rising shares, up 14m shares from the demand for one-megabit previous day. dynamic random access mem-ory (D-Ram) chips. The issue was the second busiest with 44.25m shares traded, but it

advancing Y12 to Y710 at one stage. Supermarkets continued their recent advance. Maruetsu surged Y90 to Y1,340, Uny advanced Y120 to Y1,890 and Chujitsuya climbed Y100 to Tesh incentives to encourage oraging for February delivery.

Supermarkets continued their recent advance. Maruetsu surged Y90 to Y1,340, Uny advanced Y120 to Y1,890 and Chujitsuya climbed Y100 to Y2,600. But Daiei succumbed to profit-taking after a strong performance on Mouday, ending rading for February delivery.

Bond prices continued their recent advance. Maruetsu surged Y90 to Y1,890 and Chujitsuya climbed Y100 to Y2,600. But Daiei succumbed to profit-taking after a strong performance on Mouday, ending their recent advance.

Bond prices eased as dealers awaited the announcement of preliminary figures for fourth-quarter US gross national prod-uct, scheduled for release later

Interest was also undermined by growing concern about the rapid upswing of stock prices. The Nikkei has gained 788 points in four trading days and the unease sparked a bout of profit-taking.

Domestic demand-related issues came under heavy selling pressure. Mitsublshi Estate sbed Y80 to Y2,060, Tokyo Electric Power gave up Y170 to Y5,230 and Tokyo Gas was off Y15 at Y970.

Bond prices eased as dealers awaited the announcement of preliminary figures for fourth-quarter US gross national product, scheduled for release later in the day.

The yield on the benchmark 5.0 per cent Government bond, maturing in December 1997, fell to 4.256 per cent briefly before ending at 4.295 per cent. Y15 at Y970.

Y5,230 and Tokyo Gas was off Y15 at Y970.

Financial issues also fared poorly, with Sumitomo Bank falling Y60 to Y3,550 and Nomura Securities declining Y50 to Y3,180.

A few selected issues, however, attracted strong buying interest. Ishikawajima-Harima Heavy Industries headed the active list with 45.25m shares changing hands and finished Y17 higher at Y577 after moving erratically between Y555 days close. In inter-dealer trading later, the yield climbed to 4.300 per cent. The bond market showed no reaction to new issue terms for February long-term Government bonds, which set the coupon rate at 4.8 per cent, down 0.1 per cent from the coupon on the January issue, and the issue price at 99.50 per cent of par compared with 99.00 per cent for the January issue.

On the Osaka Securities

WEDNESDAY JANUARY 27 1988

and Y690. The stock drew buyers on expectations of its rises. The 250-issue OSE stock
involvement in redevelopment
projects in the Tokyo Bay area.
Toshiba was traded briskly mated volume of 120.58m

Hong Kong

OVERSEAS institutions cor ued reluctant to buy as cau-tious and thin local trade picked up shares ahead of forthcoming coming company earning reports. The Hang Seng index drifted down 13.43 to 2412.62 on a weak HK\$519.90

turnover.
China Light put on 30 cents to HK\$18.80.

Singapore

Featureless dealing was reflected in a moderate decline across the board, with more investors retiring to the side-lines amid unease about an election-linked court case which could threaten the Government. The Straits Times industrial index closed at 897.39, down

9.99. Major losers were blue chips

Australia

The return to trading after a two-day holiday saw a slide in the bullion price provoke wide-spread falls in Sydney as over-seas and domestic investors reduced their exposure to gold stocks. The All Ordinaries index fell sharply for the fourth consecutive trading day, down S to 1,269.5.

TUESDAY JANUARY 26 1988

FT – ACTUARIES WORLD INDICES

Jointly compiled by the Financial Times, Goldman, Sachs & Co., and Wood Mackenzie & Co. Ltd., in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Local Currency Index

Probe into NZ group aggravates

luvestigntion into the affairs of NZ Forest Products, one of New Zerland's largest companies -- along with those of Rada Corporation, its financially troubled investment arm, and Prorada, Its euhsidiary property company — sent local stock markets into further decline yesterday, writes Dai Hayward in Wel-

As inveator confidence slid, so too did the Barciays index which plunged to its lowest point in two years, down 54.21 at 1,872.45.

Local uncertainty about proposals to fay unrealised.

shed 7 cents to NZ\$2.95, Rada slipped 1 cant to 7 cents and Bada-coutrolled transport and tourism company, Newmans Group, lost 12 cents to NZ\$1.

The New Zealand registrar of companies, Mr Kevin McCormack, has appointed a special team to investigate recent activities, share transactions and financial dealings of all three compa-nies. NZFP and Rada were suapended from the stock exchange earlier this month but were reliated on Mon-day after the exchange had examined intercompany

finance deals. New Zealand law forbids a company buying its own sharea either directly or indirectly. Mr Gaoffrey Palmer, the Justice Minis-ter, said several sharehold-ers had asked for an official investigation.

Rada, which has losses over NZ\$2m, was acquired by the Elders group of Aus-tralia earlier this month, tralia earlier this month, subject to Commerce Commission approval. Rada was act up two years ago by NZFP, which now holds 28 per cent of the company. In turn Rada owns 43.7 per cent of NZFP.

The acquisition of Rada

nal price.

Many shareholders have and Mr George Wheeler, NZFP chief executive.

can be allayed.

Meanwhile a further row

Crown announced it was selling the shares for that price to Hendry nominees for placement in Australia. After the October crash, the deal did not go ahead.

DOLLAR INDEX

1987/88 Low

85.36 85.53 94.63 98.15 98.18

74.56 68.80 73.92 93.50 70.11 100.00 93.76 72.00 95.51 81.21 100.00 88.50 73.65 99.65 91.21

92.25 100.00 100.00 91.68 78.89 82.92 100.00 108.00 92.98

139.73 100.00 112.30

113.44 91.78 100.89 116.28 102.27

116.11 113.73 112.37 104.43 91.73 109.25 108.44 117.69 118.14 90.85 101.33 112.54 113.53

105,96 125,01 111,41 113,46 95,29 101,43 111,51 112,28 112,27

1987/88 High

121.82 104.93 158.68 160.22 112.11 161.28 193.64 422.59 131.41 138.99 185.01 174.28 198.09 168.81 136.64 111.11 162.87 137.42

130.02 158.77 143.65 137.55 111.97 164.03 143.38 138.82 139.47 134.22

EUROPE

Dollar worries add to domestic doldrums

London

NEWS OF slightly better-than expected US gnp figures came after most bourses in Europe had closed. Weakness in tha dollar and general nervousness curtailed activity and most markets continued to slide as domestic factors provided little

FRANKFURT closed lower FRANKFURT closed lower after a day of light but sometimes turbulent trading. The Commerzbank index fell 9.1 to 1,237.S and the FAZ gave up 3.09 to 405.59.

An erroneous news report

that Siemens net profits had risen sent the stock sharply higher and triggered a wave of buying. A correction later in the session, saying that group profits were down by DM200m to DM1.2Sbn, prompted a sell-off and took the whole market down.

Siemens ended DM11.10 lower at DM325 after climbing to DM338.50. News that Deutsche Bank

News that Deutsche Bank would not cut its 1987 dividend failed to lift sentiment. Deutsche led other banks down, shedding DM5 to DM374.50.
Cars was sharply lowar.
BMW dropped DM12.50 to DM483.50, Daimler shed DM7.50 to DM539 and VW declined DM4.40 to DM206.30.
In chemicals Bayer shed DM4

In chemicals, Bayer shed DM4 to DM241, BASF dropped DM3.40 to DM229.10 and Hoechst declined DM2.30 to DM242.20 despite announcing higher sales and profits for 1987. BRUSSELS reversed its recent rise on the back of take-

over interest in Société Génér-ale de Belgique. News that Carlo De Benedetti was offering BFr3,400 a share for a further BFr3,400 a share for a further 15 per cent stake destroyed buying interest in La Générale' and its share, Réserve, tumbled BFr245 to 3,125. Gevaert, the leader of a group of investors which seels a 25 per cent stake in La Générale, eased BFr20 to BFr6,580.

The Brussels stock index fell 15.14 to 3893.56. Blue chip Petrofina shed BFr60 to BFr9,410. Solvay lost BFr60 of the previous day's BFr350 gain to close at BFr9,580.

AMSTERDAM eased after signs of renewed weakness in the weaker dollar triggered a bout of selling in an otherwise

Calm session.

Most blue chips closed lower but Royal Dutch added 30 cents to F1 207.30 despite an annouto Fl 207.30 despite an annou-cement on Tuesday that it would remove an additive from having fallen B19 the previous

Wall Street's 25-point fall wall Street & Zapont and overnight left London opening lower. Favonrable response to the US Gross National Product growth figures railied the market from a its midsession fall of nine FT-SE points but blue nine FT-RE points but one chips were restrained by the pound's firmness at the end of the day. The FT-SE 100 index closed down 2.1 at 1765.2. The FT Ordinary index closed at 1,415.6, down 2.4.

some petrol on evidence the product had caused engine ZURICH again closed the day mixed, depressed by the decline on Wall Street and uncertain

about the forthcoming US gross national product figures, due after the close. The Crédit Suisse stock index slid 2.2 to All sectors were mixed although some major banks posted gains. Baer Holding climbed SFr100 to SFr10,700

but Crédit Suisse gave up SFr40 to finish at SFr2,310. Among retailers, Globus jumped 8Fr250 to SFr7,400 while in chemicals, Sandoz

climbed SFr100 to SFr11,850. PARIS closed generally down after listless trading. A rise in short-term interest rates trigshort-term interest rates trig-gered sales, underlining a ten-dency to take profits. The CAC opening index fell 2.0 to a 1988 low of 254.2.

Blue chips mostly declined, sava for Elf Aquitaine which put on FFT3 to FFT240,50 sup-

ported by news of a respectable net profit for 1987. Compagnie du Midi slipped FFr24 to FFr955 and Paribas shed FFR6

Avions Dassault gained FFr26 to FFr660 on the strength of Government commitment to the

Rafale fighter jet.

MILAN ended modestly lower after a day of see-saw trading and erratic price movements.

The MIB index slipped 0.21 per

Cent to 954.

Banks, insurers and industrials weakened. als weakened.
Fiat, which posted higher 1987 sales and profits in its car division, euded up L30 at L8,015 and firmed to L8,100 in unofficial afterbours' trading.
Mire Lange 1998 a strong Mira Lanza rose a strong 1,100 to L37,000 after news that Ferruzzi is to sell its con-trolling stake in the company.

MADRID saw a sell-off which took prices broadly lower. The general index lost 2.58 to 247.97 after investors paid little or no attention to an opti-mistic reviaw of the Spanish economy by the Finance Minister. No sector escaped the wave

STOCKHOLM swung lower as the market became con-cerned about strika negotiations, which now seem far from a settlement. Prices fell across the board, with blue chips hardest hit. Voivo dropped SKr8 to

SKr299. OSLO fell in thin trade as banks led other sectors lower. Poor 1987 bank results and of the spring wage talks curtailed buying and the all-share index dropped 5.08 to 253.53.

Banks were sharply lower

with Christiania Bank og Kre-ditkasse losing a hefty NKr9 to NKr121, DNC down NKr2.5 at NKr104 and Bergen Bank dropping NKr6 to NKr140.

HELSINKI inched higher in thin trade. Investors remained nervous and buying was spo-radic. The Unitas ali-share index rose 3.8 to 554.3.

SOUTH AFRICA

THE MARKET's nerve steadled in Pretoria as a result of buying interest provoked by Tuesday's aharp fall although institutional investors kept to the sidelines. Gold shares regained some ground but bullion's continuing weakness and the high finan-cial rand (34.25/75 US cents) limited the scope of any recov-

session. Randfontein put on R4.50 to reach R244.50 while Driefontein lifted 50 cents to R33.50. De Beers slid 50 cents to R26.50 but Anglo gained R1 to R47.50 and Geucor held steady at R44. Rustenburg Plat-inum edged up R1 to R27.

Barlow Rand rose 25 cents to R20.25 while South African Breweries picked up 40 cents B17.40. Sasol remained R17.40. remained unchanged at R7.50

New daily index charts top Nordic stocks

A LEADING Swedish stockbrokers has launched the first daily index to reflect the conbined performance of the four Nordic stock markets, writes Sara Webb in Stockholm.

Alfred Berg, the stockbrokers owned by Swedish automotive group Volvo, believes that the index known as the Alfred Berg Nordic index - will appear to international investors who follow the Nordic markets.

Mr Sten Lindquist, an analyst at Alfred Berg, said: "We do a lot of trading with foreign investors, so we have some idea of the problems they encounter in following share movements Many investors look at the mar-kets in Oslo, Stockholm, Herainki and Copenhagen as one Nordic market.

Nordic market.

Sweden's trend towards deregulation, which is making it easier and chenper for residents to buy shares abroad, is another factor behind the intro-duction of the index. Stockholm is by far the largest of the four Nordic exchanges with a poer-crash market capitalisation of about SKr460bn (\$72 ibn). Stockholm will have two-thirds of the weighting in the new index and the other three mar-kets will have one-ninth of the

weighting each. The index will include those companies which fall in the top 70 per cent of the market capa-

This gives 40 Swedish compa nies, including Astra, Electrolux and other major blue-chips. 24 Norwegian companies. including Norsk Hydro, Sage and Kvaerner, 56 Danish shares, including Novo and Danske Bank, and 16 Pinnish names such as Nokia and Pohjola_

The index, which is calculated at the close of the markets each day, uses 1956 as its base year. It started at the 100 level at the beginning of 1987 and ended the year at 95.4. It has subsequently recovered and stood at 102.7 yesterday.

Alfred Berg plans to review the composition of the index

every six months to take account of changes in market capitalisation. Alfred Berg has majority shareholdings in the Norwegian brokerage Gunner Boehn and the Danish brokerage Broe-

derna Trier.

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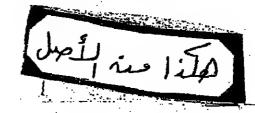
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ustralia (93)	99.38	-0.9	82.78	92.64	4.88	100,24	83.75	93.21
ustria (16)	89.42	40.6	74.48	77.49	2.70	88.89	74.27	77.A7
elgium (48)	105.39	-0.3	87.78	90,84	5.22	105.70	88.31	91.49
anada (1,27)	109.41	+0.4	91.13	101.29	3.09	108.98	91.05	101.01
enmark (38)	113.32	+0.6	94.39	98.57	3.00	112.61	94.08	98.56
inland (23)		+1.1	92.50	94.72	1.80	109.89	91.81	94.07
rance (124)	74.69	-0.7	62.21	65.99	4.50	75.21	62.84	66.66
rest Germany 1941	69.57	-0.6	57.94	60.43	3.08	69.95	58.45	60.95
ong Kong (461	91.59	-0.5	76.28	91.73	5.73	92.03	76.89	92.11
eland (14)	112.68	+0.1	93.85	99.67	4.54	112.58	94.06	100.08
aly (94)	70.14	+0.0	58.42	64.53	2.97	70.17	58.62	64.61
apan (457)	147.03	-0.7	122.46	118.50	0.59	148.07	123.71	119.66
lalaysia (36)	117.74	-12	98.07	116.05	3.22	119.19	99.59	117.38
lexico (14)	130.16	-3.6	108.41	316.50	1.12	134.97	112.77	328.13
etherland (37)	96.34	+0.1	80.24	82.54	5.45	96.27	80.43	82.71
ew Zezland (24)	72.00	-2.4	59.97	57.00	5.76	73.76	61.62	58.37
orway (24)	101.66	-1.8	84.68	87.62	3.12	103.52	86.49	89.61
ingapore (26)	104.31	-1.0	86.88	97.10	2.49	105.37	88.04	98.17
outh Africa (61)	128.15	+2.5	106.74	81.20	5.13	125.07	104.49	80.42
ozin (43)	137.17	_0.1	114.25	117.58	3.46	137.29	114.71	118.31
weden (34)	104.28	-1.1	86.86	92.71	2.69	105.42	80.88	94.05
witzerland (53)	76.91	-0.5	64.06	64.89	2.56	77.31	64.59	65.23
nited Kingdom (329)	129.73	+0.1	108.06	108.06	4.33	129.56	108.25	108.25
SA (588)	101.87	-0.1	64.65	101.87	3.64	101.96	85.19	101.96
			~~~	0535			82.24	05.53
шторе (971)	99.54	-07	82.91	85.17	3.99	99.66	83.26	85.52
acific Basin (682)	143.01	-0.7	119.11	116.35	0.81	144.03	120.34	117.48
uro Pacific (1653)	125.64	-0.5	104.65	103.91	1.83	126.30	105.52	104.73
orth America (715)	102.27	_0.1	85.18	101.85	3.61	102.33	85.50	101.92
шгоре Ex. UK (642)	80.86	-0.3	67.35	70.73	3.66	81.14	67.79	71.18
acific Ex. Japan (225)	94.56	-0.9	78.76	89.15	5.05	95.39	79.70	89.80
Vorld Ex. US (1855)		-0.5	104.21	103.70	1.90	125.70	105.02	104.47
Varid Ex. I)K (2114)	114.7B	-0.4	95.61	102.51	2.28	115.23	96.28	103.08
forld Ex. So. Af. (2382)	116.03	-0.4	96.64	103.17	2.47	116.45	97.29	103.72
Yorld Ex. Japan (1986)		-0.1	84.37	95.31	3.81	101.38	84.70	95. <b>5</b> 0
he World Index (2443)	116.11	-0.3	96.71	103.03	2.49	116.50	97.34	103.57
se values: Dec 31, 1986 = 100; Finlan pyright, The Financial Times, Goldman stralian market closed January 26.	d: Dec 31, 19 , Sacks & Co.	97 = 115.037 , Wood Macke	(US 5 index), 9 rzie & Co. Ltd.19	0.791 (Pound Sk 987	erling) and 94	.94 (Local).		